THE CHANGING PATTERNS OF INTERNATIONAL PUBLIC RELATIONS IN MULTINATIONAL CORPORATIONS FROM 1969 TO 1974

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THE CHANGING PATTERNS OF INTERNATIONAL PUBLIC RELATIONS IN MULTINATIONAL CORPORATIONS FROM 1969 TO 1974

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PREFACE

American public relations practitioners have been perfecting their trade for more than 90 years yet it remains nebulously "almost-a-profession." Riddled with self-declared members who have little or no formal training, public relations still has difficulty policing itself, accrediting its members and obtaining an acceptable definition of its role.

If these enigmas exist at the heart of public relations in America, the problems facing the concept of the global expansion of public relations must be even more complex.

Development of U.S. industry in foreign markets has added a new dimension to the public relations business--international public relations. Faced with different values, attitudes, beliefs, customs and problems, international public relations is a burgeoning force which demands study.

This relatively untrodden ground has grown fertile as American global corporations silently expanded their markets. Like shoots of "ivy," American big business has spread its branches to other nations. But its roots remain firmly placed in the United States.

The changing socio-economic climates in virtually every nation have demanded a reappraisal of present public relations programs by every multinational corporation. The problems they face are myriad. They are as numerous as the national idiosyncracies and customs of the countries in which they trade. International public relations has had to deal from country to country with such questions as language barriers, cultural barriers, and

national habits.

But these superficial difficulties only hint at the real role of international public relations. The basic problem is to maintain the delicate balance between being a good corporate neighbor and maintaining acceptance by the host nation. This is in addition to promoting a good and healthy business climate. This is the most difficult problem faced by public relations in its global concept.

The Program Chairman of a New York University seminar on International Public Relations noted this Spring that "International public relations is not domestic public relations transplanted to another country. It is unique in each locale, seriously connected to business success abroad and sometimes differs radically from American practice." He continued saying, "the execution of international public relations is undergoing serious changes as a direct result of the changing climate of worldwide business practices."

However, all too often, public relations, as practiced abroad, is no more than a misplaced domestic program forced to fit into a foreign mold. The results are often less than desirable. American businessmen in the past often have been parochial in their approach to foreign markets. Now, rising currents of nationalism threaten to swamp the shaky boat carrying the American image. Nationalistic pressures demand a restructuring of this image and a response from the multinational corporation. History has long since passed the stage where American big business may come crashing and thrashing into underdeveloped nations bearing,

like some latter-day Cortez, the promise of riches for beads.

Loet A. Velmans, then President of Hill and Knowlton International S.A., the largest international public relations firm, noted five years ago that "European public opinion has become alarmed by the continuing expansion of U.S. corporations into Europe . . . "

It is the role of public relations, whether in Afghanistan or Zambia, to create a favorable business climate by promoting acceptance of the multinational, fighting hostility and quieting the alarm of negative press and public comment.

This paper will discuss some of the problems facing U.S. international public relations practitioners, such as foreign press attitudes, language, de-centralized management, and coordination of communications.

The different concepts of multinational public relations as subscribed to by various corporations will form a major portion of this paper. Other questions will attempt to define the role of public relations abroad.

Utilizing a survey developed by the author and distributed to top public relations directors for multinational corporations, a report on the changing status of international public relations will be developed. To support these findings, personal interviews with experts in the field of international public relations and research from published sources will provide corroborative information.

Heavy emphasis was put on three highly-respected authors whose work in the international public relations field has spanned

decades. Very little had been written in the past on the role of international public relations. In fact, only two books dealing specifically with the subject have been printed: Hill and Knowlton's Handbook on International Public Relations (1967) and The Public Relations Man Abroad (1968) by Geoffrey Kean. Mr. Kean is a highly prolific writer, international public relations expert, and is Director of the International Agency Activities, IBM World Trade Corporation. His articles on the importance of international public relations are widely read.

A second expert, William A. Durbin, Vice Chairman of Hill and Knowlton, Inc., is recognized world-wide for his writings and speeches on the international aspects of public relations, the multinational mentality and American business overseas.

Finally, Ray Josephs, a relative newcomer to the roles of public relations authorship, has created great discussion with his articles on the global concept of public relations. Mr. Josephs is President of International Public Relations Co., Ltd., New York and Vice President-Americas, IPR Group of Companies, Inc. His advice on uncomplicating the foreign market remains far superior to any other such work.

U.S. international public relations, although only a few years old, is not in a semi-embryonic stage. It has evolved concepts and standards which take it beyond its original "transplanted" origins. It was held back initially due to a lack of overseas expertise and because the evolution of the media, marketing concepts, public awareness and advertising abroad had not been at a level sufficient to support our concept of public relations.

But now the means are available. How well the concept fares is the responsibility of receptive and sensitive public relations practitioners.

CHAPTER I

UNITED STATES MULTINATIONAL CORPORATIONS

DEFINITION AND HISTORY

The phenomenal growth of international business since World War Two has expanded the practice of public relations in the free world into every nation. To understand the pressures and demands placed upon the international public relations practitioner, it is first necessary to discuss the multinational corporations which have become a major force in development and world trade.

> Since World War II . . . multinationals have grown faster than any other form of corporate activity, their sales having increased at a compounded rate of ten per cent a year.[1]

With their sales at an estimated $450 billion dollars a year in goods and services, multinational corporation output comes to about 15 per cent of the gross world product.

As with many new concepts, a precise definition of the multinational corporation has yet to be decided upon. Businessmen, economists, marketing analysts and newsmen have used a variety of phrases to describe these vast international enterprises. The terms "transnational," "plurinational," "globalists," "world enterprises," "global firm," and "international company" are among those used.

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[1]Carl H. Madden, "The Multinational Corporation; World Money," Vital Speeches of the Day, 15 November 1973, p. 85.

Those who attempt a definition of the multinational corporation are plagued by a number of questions as to the required size of the corporation, its total sales, number of countries in which it has operations, and what percentage of its assets are overseas.

In his book, Global Corporation--The Emerging System of Economic Power, Richard Eells attempts to define the multinational in one sentence:

> A cross-border or transnational business organization or aggregate of organizations that is characterized mainly by the dispersal of its managerial centers among several nations for purposes of overcoming the barriers at the political frontiers of states.[1]

This definition is acceptable albeit somewhat lengthy. Eells maintains that direct investment by mulinationals in a host country is what sets them apart from an international firm, a transnational firm or a supranational firm, none of which exhibit this characteristic.

Newsweek magazine, in an article in 1972, defined the multinational as "one with sales above $100 million, operations in at least six countries and overseas subsidiaries accounting for at least 20% of its assets."[2] Newsweek maintained then that some 4,000 companies around the world fit into this general definition including Exxon, General Motors, Ford, Shell, General Electric, IBM and Unilever.

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[1]Richard Eells, Global Corporation; the Emerging System of World Economic Power. (New York, N.Y.: Interbook, Inc., 1972), p. 15.

[2]"Global Companies: Too Big to Handle?" Newsweek, 20 November 1972, Business and Finance Section, p. 96.

Professor John Fayerweather applies the term multinational to:

> . . . all firms which engage directly in business activities in two or more countries . . . the only criterion is that the firm be involved in international operations such as exporting, licensing and operation of controlled factories abroad.[1]

Scholars differ on the semantic aspects of the definition. To Professor William A. Dymsza of Rutgers, the State University, the term "international company" is "a generic term that comprises enterprises with various degrees of world orientation in their business; on the other hand, the 'multinational firm' is one type of international company."[2]

Carl H. Madden, Chief Economist for the Chamber of Commerce of the United States, observes that "as best we can define it, the multinational corporation owns and manages businesses in two or more countries rather than merely operating abroad through agents or owning security investments abroad."[3]

Rather than be drawn into a lengthy and fruitless discussion of the specific criteria for identifying such institutions, this paper will accept the definition provided by Mr. Madden. Although size is an important factor to management and the stockholders, in terms of the practice of international public relations, the "large" and "small" multinationals are faced with sub-

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[1] John Fayerweather, International Business Management: A Conceptual Approach (New York: McGraw-Hill Book Co., 1969), p. 13.

[2] William A. Dymsza, Multinational Business Strategy (New York: McGraw-Hill Book Co., 1972), p. 4.

[3] Madden, "The Multinational Corporation; World Money," p. 85.

stantially the same problems. Only the scope and distance changes.

AN OVERVIEW OF MULTINATIONAL ACTIVITY

The concept of multinational corporate activity is as old as history. The Phoenecians, Venetians, Romans and Neopolitans were among those who established themselves as traders and formed city-states along the Mediterranean.

"And the multinational concept was nothing new to the 70 European cities that belonged to the Hanseatic League during the 1300s."[1] In fact, most of the early explorations in the United States were financed by a form of multinational corporate activity--the London, Plymouth Bay and Hudson Bay Companies are all examples of such endeavors.

> During the nineteenth century, Western Europe invested extensively in the underdeveloped areas of Asia, Africa, and the Americas, but mainly capital followed empire, except for securities investments in such enterprises as United States and Argentine canals and railroads . . . The earliest multinationals came in mining and oil early in the Twentieth Century and spread after World War I to autos and associated industries, but the movement was throttled by the world-wide economic depression.[2]

Prior to World War II, American business involvement overseas was limited mainly to the export industry. By 1966, the United States Department of Commerce "identified over 23,000 foreign affiliates of American companies . . ."[3] This is compared to

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[1]Herbert C. Knortz, "The Multinational Corporation; An Economic Institution," Vital Speeches of the Day, 15 June 1974, p. 536.

[2]Madden, "The Multinational Corporation; World Money," p. 85.

[3]Richard A. Bowen, "Multinational Corporations," United States Naval Institute Proceedings, Vol. 99, No. 1/839 (January 1973):56.

the 100 foreign subsidiaries of U.S. controlled multinational enterprises overseas at the beginning of this century.

> Estimates of aggregate sales of U.S. corporations abroad range from $140 billion to above $200 billion per year and are equivalent to the world's third largest gross national product (ranking immediately below the United States and the U.S.S.R. but ahead of Japan and Germany.). To illustrate, in 1970, General Motors had a relatively 'bad year,' but still had sales larger than the GNPs of 123 of the world's 146 sovereign nations.[1]

The United States hegemony in world marketing was dramatically and pointedly illustrated by Jean Jacques Servan-Schreiber in his book Le Defi Americain (The American Challenge) in which he "announced to millions of readers that the third-largest producing unit in the world was the economy of American subsidiaries abroad."[2] Servan-Schreiber was concerned with the extent to which American companies had penetrated Western Europe and their capability to utilize size, technological expertise and access to financial backing. Very few of the smaller less-developed countries can hope to compete with such a complex enterprise.

In his book The Coming Clash, Hugh Stephenson provides an interesting solution to the reasons for the growth of American multinational corporations. He attributes the U.S. leadership in multinational activity to three factors: a result of dealing with the world's largest unified domestic market; a lack of class-consciousness; and a large continental area to serve. Familiarity with logistic requirements, management mobility, speedy communications, and a willingness to delegate authority are among other

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[1] Ibid.

[2] Walter Damm and Sydney E. Rolfe, eds., The Multinational Corporation in the World Economy (New York: Praeger Publishers, 1970), p. 6.

factors which cannot be discounted.[1]

Auto industrialist Henry Ford, II, also links the growth of American multinational interest in Europe and around the world to the size of the United States. He writes:

> Most of the economic advantages of multinational operations are advantages of scale. One of the key reasons for the size and productivity of the American economy is the existence of a continent-wide market, unobstructed by language, customs, or currency barriers. Experience in that huge market is probably the main reason why American companies have been so quick to take advantage of the reduction of economic barriers within Europe. It makes sense for companies in Europe to operate in many countries just as it makes sense for companies in America to operate in many states.[2]

Stephenson also recounts the xenophobic attitudes many countries have to the introduction of foreign business to their economies. This approach, he says, is built on a 16th century concept of national sovereignty. Modern industry's discovery of the viability of business mobility--from one country to another--has caused drastic alterations in international business concepts in the past twenty years.

It is a fact of modern technology that all nations are becoming interdependent upon each other. Thus, the main premise of Stephenson's book informs us that "a single national state, exercising its sovereign rights, now lacks the scope effectively to match that of truly international companies."[3] In the final

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[1]Hugh Stephenson, The Coming Clash, (New York: Saturday Review Press, 1972), p. 19.

[2]Henry Ford II, "Multinationalism: Road to Peace and Prosperity," Public Relations Quarterly, Winter 1971, p. 10.

[3]Stephenson, The Coming Clash, p. 30.

analysis, the international network of technological know-how has transcended national borders and has thus stimulated the growth of the multinational industry as a need is created in each host country for that which the multinational can contribute.

The multinational corporation has had to maintain a constant state of evolution to meet the demands placed upon it by host nations. And although American business is rapidly developing its worldwide perspective, it should be pointed out that foreign investors have historically had such an outloook.

> To select a wholly random example, Hoffman-La Roche started to produce pharamaceuticals in Switzerland in the late 19th century; by 1908, it was producing in Germany, France, the United Kingdom and the United States as well.[1]

Americans have grown up with foreign multinationals in their midst yet have been completely oblivious to their existence, such is their total integration into the society.

> It should not be assumed that the multinational corporation is solely the creature of the American corporate and political scene. Today more than 400,000 Americans are making chemicals in the United States for England's Imperial Chemical Industries, electric typewriters for Italy's Olivetti, soap and margarine products for Unilever, chocolate products for Nestle of Switzerland . . . foreign direct investment was upward of $3 billion in the United States in 1973 alone . . . Approximately 875 manufacturing enterprises in the United States are owned wholly or in part by over 500 foreign companies.[2]

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[1] Damm and Rolfe, The Multinational Corporation in World Economy, p. 17.

[2] Knortz, "The Multinational Institution," p. 536.

PROBLEM AREAS

While the world has been slowly adjusting to the concept of global economics, the multinational has been growing faster than any economist might have predicted two decades ago. Marketing analysts see three primary reasons for this growth pattern: "Access to large capital reserves; technological and/or marketing leads in one or more extractive, manufacturing or service sectors; and the willingness and ability to take necessary risks."[1]

It is the last characteristic which is the essence of the power that multinationals are purported to have; the power to invest. "A multinational can decide to build a plant in an undeveloped country; or it may decide to invest in an already ongoing enterprise in a developed nation."[2]

The multinational can afford to gamble. It can absorb losses incurred by the sudden rise of nationalistic fever resulting in the nationalization of all foreign industry. Yet, size, holdings and quest for profit are among the reasons why multinational corporations are accused of having too much power.

> Some foreign governments and critics have viewed multinational corporations as seeking excessive power, basing an indictment of all on evidence of a few alleged incidents . . . Indeed, the multinational corporation is a government scapegoat for domestic critics, particularly when it has generated strong competition in local markets previously isolated from all but domestic influences.[3]

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[1] Bowen, "The Multinational Corporation," pp. 55-56.

[2] Rodney C. Gott, "The Multinational Corporation; An Economic Force Toward Social and Political Progress," Vital Speeches of the Day, 1 May 1974, p. 445.

[3] Madden, "The Multinational Corporation; World Money," p. 85.

Supporters of the multinational concept point towards the ability of global business to create a world economic community beneficial to all countries. Yet, International Telephone and Telegraph Vice President Herbert C. Knortz notes that:

> . . . despite their broad and admirable potential, the multinational corporations have been the subject of vilification, bad publicity, oppressive regulation and various forms of terrorism. They have been exposed to pressures both from the incipient internationalist and from the militant nationalists.[1]

While the multinational claims to be economically the saviour of the small, underdeveloped nations, the major thrust of their involvement overseas has not been in these areas. United States corporations have established manufacturing plants primarily in Canada and Western Europe. Only when materials and products are not available in these developed areas does the multinational corporation move toward the less-developed regions.

> The huge expansion of overseas investments in manufacturing during the last decade has been largely concentrated in Western Europe. Many industrial companies have undertaken a minor part of their international production in less-developed countries in Asia, Africa and even Latin America.[2]

Critics of the multinational corporations in the "third world" such as author Louis Turner, decry the imbalance of expansion and the earlier attempts by international corporations to "take the globe as their plaything."[3] In his recent book Multinational Companies and the Third World, Turner describes the countries of Africa, Asia and Latin America as the "third world"

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[1]Knortz, "The Multinational Institution," p. 535.

[2]Dymsza, Multinational Business Strategy, p. 9.

[3]Louis Turner, Multinational Companies and the Third World, (New York: Hill and Wang, 1973), p. viii.

and argues that in past years multinationals did very little to aid these areas. In addition, he notes that "they stifled the spontaneous growth of these economies by killing off potential industries and competition."[1]

Such harsh criticism, often founded in historical fact, is part of the public relations challenge encountered by the international public relations practitioner.

A second criticism, and one which is probably the most discussed, is the capacity of the multinational corporation to control and formulate the policies of the host nation. Citing a United Nations report, United States economist Carl Madden notes that:

> . . . multinational corporations have great power in their hands for actual or potential abuse. The authors refer to 'their ability to shape demand patterns and values' and to influence the lives and people and policies of governments, as well as their impact on the division of labor.[2]

Public relations man Jules Hartogh outlined the criticisms which are directed at the multinationals in an article in Public Relations Journal recently. He noted that to many Europeans, the multinational is "a tool of economic imperialism" which:

> . . . makes believe it is simultaneously a citizen of several nations conforming to their laws and often paying them taxes, yet it has its own overall objectives which are unknown to the public and it is responsible only to a mysterious, all-powerful top-management, located elsewhere.[3]

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[1]Ibid., p. 68.

[2]Madden, "The Multinational Corporation; World Money," p. 86.

[3]Jules M. Hartogh, "Public Relations in a Changing Europe," Public Relations Journal, March 1974, p. 30.

Much of the criticism is valid. In overseas operations, the multinationals have found cheap labor, tax havens, penetration into new markets, and in the past have tended to impose the "Pepsi generation" on the host country by demanding it accept American needs and marketing practices. Indeed, as Rodney Gott, President of AMF, notes, "Some multinationals have abused their franchise and tried to exert power . . ."[1]

The multinational corporation is also viewed suspiciously by the news media and governmental regulators. "At various times it has been popularly depicted as some type of political villain, but it is difficult to imagine this modern world without its multinationals."[2]

Yet, for all the charges leveled against them, multinational corporations have created a socio-economic structure which allows for maximum development of products, services and technology. As the multinational crosses national barriers, it also disseminates its technology to host nations and their industry. It has become, in the last twenty years, a primary source of the world's technological education.

> The existence of a multinational activity tends to insure that local consumers throughout the world will have an opportunity to use the latest results of man's scientific creativity. Although, in earlier stages of investment, product and process technology tends to be imported and thus is subject to royalty charges, there usually comes a time when multinationals find it beneficial to locate laboratories and research centers in the foreign market

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[1]Gott, "The Multinational Corporation; An Economic Force," p. 445.

[2]Knortz, "The Multinational Institution," p. 538.

areas.[1]

From a public relations standpoint, this evolution from the initial investment stage to actual "in-country" research has far-reaching implications.

> There is extra gain from doing research in Europe besides product ideas and potential cost saving. That is the public relations gains. Because of their worries about the 'technology gap' Europeans will look more hospitably on an American manufacturer who does research in Europe in addition to production and marketing.[2]

Without the multinational concept, an ever-widening gap would be created between the slower-developing economies and those more advanced and established nations that have the technological know-how and, more importantly, research programs free of financial worries.

> We cannot slow down the growth of the more advanced nations and then wait for the less developed countries to catch up, because the less developed nations will never narrow the gap without the means of creating new wealth.[3]

Even critics of the multinationals, such as Louis Turner, note that:

> For better or for worse, the multinationals are among the leaders in some of these technologies, and here we have the central dilemma faced by the radical critic. In refusing to deal with the multinationals, one is slowing down growth in one area whose rate of growth determines how many people will die or be crippled for life through malnutrition . . . the multinationals have an undoubted role to play.[4]

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[1] Ibid., p. 537.

[2] Vern Terpstra, American Marketing in the Common Market (New York: Frederick A. Praeger, Publishers, 1967), p. 55.

[3] Gott, "The Multinational Corporation; An Economic Force," p. 446.

[4] Turner, Multinationals in the Third World, p. 172.

The most visible contribution to a host economy by the multinational is its ability to create jobs and thereby stimulate the local economy. But it is also gathering the most up-to-date technology in one area and raising living standards. Economists note that the cycle created by direct foreign investment begins with an economic boom which makes local business successful and profitable. These profits are shared by the populace as they find work and capital. This, in turn, creates and continues the economic upsurge.

Business writers feel that the next twenty years of economic development will bring with them even greater periods of expansion for multinational corporations. The acceptance of this growth by the public will necessarily be one of the jobs of the international public relations practitioner. His role in the future growth of these mammoth corporations will be that of translator of corporate policy and ideals and evaluator of international trends. But what is the future of the multinational and its accompanying public relations practices? That can best be answered through a brief look at the future of international business.

CHAPTER II

THE FUTURE OF UNITED STATES MULTINATIONAL CORPORATIONS

A PREVIEW

In spite of all of the accusations of profiteering, authoritarianism, and other abuses and discontentments found in overseas markets, the future looks promising for the mulinationals. Economists point out that output and sales of multinational companies are increasing more rapidly than the gross national products of most of the countries in which they operate.

Carl H. Madden, Chief Economist for the Chamber of Commerce of the United States, views the multinational as:

> . . . a major new social invention which will grow faster in the next twenty years than in the last twenty . . . the U.S. based multinational corporation is going to be joined, at home and abroad by competitors of similar size, since foreign-based corporations are growing in size faster than U.S. corporations.[1]

Mr. Madden is an unabashed supporter of the ability of multinational corporations to contribute substantially to what he terms "the solution of the principle moral, economic and social problem facing humankind on earth, that of lifting out of poverty

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[1]Madden, "The Multinational Corporation; World Money," p. 87.

two-thirds of the earth's people . . ."[1]

Beyond the economic aspects of multinational activities, military strategists view multinationals as supporters of world peace. As they expand to more and more countries, multinationals tend to erase national boundaries and replace geopolitical questions and theories with ecopolitical solutions. World leaders, economists and historians have unwisely supported the theory that industry is tied by some invisible bonds to geography. The continuing success of the multinational concept disproves this theory.

Colonel Richard A. Bowen, USAF, a member of the International Security Affairs staff of the Office of the Assistant Secretary of Defense, describes these multinational enterprises as "purveyors of peace" and explains that they:

> . . . need international cooperation and a tranquil environment for production and marketing of their goods . . . war introduces barriers to the mobility of goods and people and threatens the vital lines of communication between and among highly interdependent corporate units.[2]

This concept is not a new one and was mentioned briefly in Public Relations Quarterly in 1971, by Henry Ford, II, who noted that "international trade does not make war impossible, but does make it less likely."[3] Mr. Ford went on to explain that:

> If it is true that economic interdependence among nations reduces the possibility of war, then it follows that multinational business operations should be especially helpful because they involve a particularly intimate form of cooperation across national

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[1] Ibid.

[2] Bowen, "The Multinational Corporation," p. 57.

[3] Ford, "Multinationalism", p. 10.

borders.[1]

In terms of aid for the less developed countries, the multinational corporation can provide the necessary ingredients (capital, managerial talent, technology, and jobs) to stimulate and charge the economy.

Colonel Bowen adds that:

> Multinational corporations are relatively unencumbered by ideological and political constraints, they can be factors for stability that provide supplementary (and less volatile) channels for probing new and broader intersocial relationships.[2]

But, even with those identifiable benefits to host countries, there remains an uneasy acceptance of multinational corporations by many nations. Multinational corporations are presently being studied to ascertain whether an international agency of supervision or regulation is necessary to provide a balance of the power to these global businesses.

Two of the problems with acceptance of the multinational corporation have been a reticence to release information coupled with an inability to adequately explain their roles. These have prompted a continuing inquiry into their existence and power.

While multinational corporate managers fear the thought of any regulatory body telling them what to do in the international arena, the real threat to multinational corporate growth would seemingly be widely diverse regulations imposed by numerous host nation agencies. Global economists and far-sighted multinational representatives have urged the formation of a permanent supra-

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[1] Ibid.

[2] Bowen, "The Multinational Corporation," p. 56.

national commission to regulate and provide two-way communications for the multinational corporation. In this past year, such entreaties have resulted in strong recommendations by a United Nations panel reporting to the United Nations Economic and Social Council. This panel of "emminent persons" recommended:

> The creation of a permanent commission that would seek to harmonize the global companies' activites with the economic plans of developing nations and to help develop a 'code of conduct' for relations between the companies and government.[1]

The United Nations inquiry was organized to report on the "impact of multinational corporations, mainly on developing countries and on international relations."[2] The panel also reported that there was a "need for more information about multinational corporations" since developing countries needed more information on how to respond to overtures from interested multinationals.

The discovery that there was a need for more information was also echoed recently by William A. Durbin, Vice Chairman of Hill and Knowlton Inc., the leading United States international advertising and public relations firm.

Mr. Durbin, for some time, has been cautioning multinationals that the main threat to their autonomy would be one of irresponsible regulations thrust upon them due to their refusals to "accept the certainty and the inevitability of increasing regulation . . . "[3] While recommending the acceptance of a single,

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[1]Brendon Jones, "A Panel to Oversee Multinational Companies Is Urged," New York Times, 10 June 1974, p. 48.

[2]Ibid.

[3]William A. Durbin, "Multinational Mentality," Vital Speeches of the Day (15 December 1973), p. 151.

supranational regulatory body, Mr. Durbin also stresses the need for "providing quality information on the international plane,"[1] an area in which he says multinationals are in disarray.

It therefore is the responsibility of the international public relations practitioner to explain the position of his corporation in the social, economic and political environments of each host country.

By providing sufficient data to all concerned parties, the multinational corporation would be protected from unwarranted and overly-rigid restrictions. Mr. Durbin notes that there is a:

> . . . treasure trove of unorganized, unassimilated data in corporate archives throughout the world that needs to be codified and put to work . . . internal company studies and private surveys abound, documenting the contributions of multinationals both to host country and the world economy.[2]

Many public relations experts feel that the multinational has been a victim of what seems to be a self-imposed, limited information policy. This is what has happened in the past domestically. Yet, Mr. Durbin is adamant in his warnings that multinational corporate directors not repeat domestic mistakes on an international level. There is still time, he says, to profit from the domestic errors and really convince the public that American business is genuinely prepared to "ride and even influence the tides of societal change rather than build dikes to hold them back."[3]

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[1] Ibid., p. 150.

[2] Ibid., p. 150.

[3] Ibid., p. 151.

It is not only advertising and public relations practitioners who are concerned with the need for a free flow of information from the multinational corporation. Walter Damm and Sydney E. Rolfe, researchers on United States and international economics and politics, conclude in their book, The Multinational Corporation in the World Economy, that:

> . . . the international corporations have to take full account of the policies, conditions and aspirations of each country in which they are established. To do so is an essential of good management. The fears that exist in some countries about these corporations can best be allayed by better disclosure and publicity of corporate activity including financial data, and by a greater effort in explaining the corporation's long-range goals, policies and involvement in each nation's life.[1]

In a preface to Damm and Rolfe's book, United States Secretary of Treasury David M. Kennedy discusses ground rules for investment both in the United States and abroad. Two of these, "the need for adequate public information on the operations of international corporations," and "the relationship between the multinational corporation and the governments of host countries in which it does business,"[2] fall under the direct purview of the international public relations practitioner.

As the entire scope of multinational corporate activity evolves, so too must levels of management transfer themselves to correspond to changing times and ideas. Most managers realize the necessity of maintaining adequate communications with host governments, yet too few of them realize the degree of importance which

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[1]Damm and Rolfe, World Economy, p. 108.

[2]Ibid., p. v.

has been placed on this activity in the past few years.

L. L. L. Golden, author, journalist and public relations expert, emphasized this theme in his 1968 book when he wrote that corporations:

> . . . cannot function without public consent. To obtain that consent they must act in public interest as the public interprets it at any given time. On the day that management forgets that an institution cannot continue to exist if the general public feels that it is not useful, or that it is anti-social in the public concept of what is anti-social, the institution will begin to die.[1]

Colonel Richard Bowen writes that:

> Multinational corporate executives are committed to a delicate balancing act. They must operate at a profit to maintain solvency, act as good corporate citizens to maintain their welcome in host nations, and comply with home and host government regulations to sustain their charters . . . their interests are transnational in character, but they operate subject to national sanctions.[2]

With the spread of multinational business, the question arises as to the sovereignty of the multinational organization; to whom does it owe its allegiance, i.e., the host country or to its domestic master? In the past, foreign affiliates of American operations have been plagued with a standard of "double allegiance" which has influenced all of their major decisions.

It is in the area of foreign affairs, that this "double allegiance" is most pronounced. American multinationals have, for instance, historically honored all strategic embargoes on Communist countries mainly because their host countries did not wish to

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[1] L. L. L. Golden, Only By Public Consent (New York: Hawthorn Books, Inc., 1968), p. 4.

[2] Bowen, "The Multinational Corporation," p. 135.

challenge the restrictions set up by United States foreign policy.

Now, as trade barriers begin to drop for foreign companies, the United States will be hard-pressed to maintain these embargoes. Foreign affiliates of American companies have begun to experiment with the basic ideology of the multinational concept. If these institutions are indeed apolitical they should be able to exist outside of the parent company's national and political disputes. Each subsidiary should, in essence, respond to the demands of the host country's government regardless of where the parent company is located. As multinationals test this principle, the United States and other nations will find it harder to impose their policies on subsidiaries located abroad.

International public relations experts acknowledge this area as a potential political and emotional bomb with important legal and public relations implications. More than six years ago, Loet A. Velmans, then president of the prestigious Hill and Knowlton International, S.A., wrote:

> The major issues are: can the U.S. government enforce certain U.S. regulations and policies on . . . subsidiaries of American companies which are legally, national companies of the host countries . . . can the U.S. use these European subsidiaries to further its international political and economic policies--specifically, the embargo on shipments to certain communist countries? . . . This is a major problem underlying the existence of U.S. companies in Europe.[1]

The United States Trading With the Enemy Act has historically precluded individual Americans or corporations from dealing directly or indirectly with America's enemies. Yet this may be a

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[1]Loet A. Velmans, "Trends in Europe Today," Public Relations Quarterly, Spring 1968, p. 24.

thing of the past. Business Week magazine reported this year that MLW-Worthington, Ltd., a subsidiary of New York-based Studebaker-Worthington, Inc., had made a monumental decision to sell 30 locomotives to Cuba. The magazine further noted that some Canadians saw the action by MLW-Worthington, a corporate citizen of Canada, as:

> . . . a gesture of resistance against U.S. domination . . . like most countries, Canada wants to increase exports which create jobs, and earn foreign exchange to pay for necessary imports.[1]

The article further noted that:

> Foreign governments can circumvent the restrictions, if necessary, by setting up intermediaries to handle sales by U.S. affiliates . . . But they are reluctant to do so, because such arrangements would be an indirect acknowledgement of the U.S. right to apply its laws to local companies . . . The U.S. attempt to enforce its laws and policies on foreign subsidiaries of U.S. companies is most likely to provoke clashes with foreign governments if the policies themselves are regarded by other nations as unreasonable or outmoded.[2]

This is especially true when almost all western countries maintain a common line of embargoed goods and technology against Communist countries. The "extraterritorial reach" of U.S. policies and regulations is just another changing facet of the multinational concept with which international public relations will have to cope.

The question of "double" or "overlapping" allegiance for multinational corporations was dramatically answered by one such corporation during this year's oil embargo imposed by the Arab

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[1] John Pearson, "Sovereignty vs the Multinationals," Business Week, 20 April 1974, Ideas and Trends Section, p. 22.

[2] Ibid.

nations.

The compliance of the Arabian American Oil Company (Aramco) with an order from Saudi Arabia's King Faisal to reduce oil production by 23 per cent and embargo the United States resulted in a loss of more than $2 billion worth of oil sales in four months. Yet the company responded without delay. Fortune magazine quoted the Aramco Chairman of the Board and chief executive, Frank Jungers, as saying, "the important thing was to give the immediate image of being with the government, not trying to fight it."[1]

As an affiliate of Standard Oil of California, Texaco, Exxon and Mobil, Aramco is an excellent example of enlightened management who feel a need for responsible host country relations. Fortune concludes that:

> Four-fifths of Aramco's employees are Saudis and they are attaining ever more responsible jobs. Aramco's American executives understand their Arab partners, bend to their customs, and sympathize with their national aspirations. The Saudis feel this and appreciate it; one hears precious little bad-mouthing of Aramco among responsible officials in the government. That's no guarantee against disaster in the suddenly chaotic world of oil. But it's probably the best a company can do.[2]

Such managerial concepts and beliefs which align the corporation closely with the host country's aspirations have not been typical of overseas involvement by American international corporations. In the early years of multinationalism, all too often the management of the affiliate would turn from the host nation to receive its guidance from the home office. This is one of the

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[1]Allan T. Demaree, "Aramco Is a Lesson In the Management of Chaos," Fortune, February 1974, p. 58.

[2]Ibid., p. 164.

problems which multinationals have begun to face. Should the multinational bend to the will of the parent company in opposition to the desires of the local government, foreign hosts could view this as infringement upon their sovereignty.

Dr. Rainer Hellmann, Brussels bureau chief of a major German corporation writes:

> The extraterritorial application of U.S. legislation in Europe will probably only be abandoned when Europe has its own legislation on antitrust, foreign trade and investment, or when an international agreement on these matters has been reached. In the meantime, it would be in the interest of the United States, a most important foreign investor, to restrict to a minimum the extra-territorial application of its legislation in Europe.[1]

It is to the credit of most American corporations that today the majority of issues and policies are handled on the local level. They are ready to accept the value systems, ideas, rules, regulations and restrictions imposed by host nations. And, even further, they recognize the national interests and aspirations of the host nations and are willing to help them achieve these goals.

> Close corporate cooperation with foreign governments is a tribute to the flexibility of American companies, and it must be good for them, or they wouldn't do it. The foreign governments clearly expect such economic benefits to themselves as higher employment and tax and foreign exchange revenues, or they wouldn't join in such projects.[2]

As the American multinational frontier expands, it will continue to be suspected of every atrocity, breach of business ethic and subversive practice imaginable. Vern Terpstra notes:

> The American manufacturer in Europe has certain competitive handicaps in his operations. These arise

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[1] Damm and Rolfe, World Economy, p. 85.

[2] Richard F. Janssen, The Wall Street Journal, 19 November, 1973.

> primarily from his foreigness and because he is less familiar with the market than his European competitors. This lack of familiarity refers not only to customer wants and buying habits, but also to the competitive environment and practice, government regulations and attitudes, and other environmental factors that affect a firm's approach to the market as well as its ability to compete effectively.[1]

In keeping with his role as translator of these practices, regulations and moods of the international market place, the international public relations practitioner will endeavor to explain the activities of those he represents. As the nations draw closer together--economically and politically--this communications expert will be called upon to explain how each corporate action benefits the host nation. He will also be the much-needed evaluator of local desires and trends. The international public relations practitioner will take a more realistic role in the scheme of management, much more so than he did in domestic public relations.

In 1963, William Safire, a well-known public relations expert who entered the profession in 1954, wrote a book entitled The Relations Explosion. In it, he prophesied on what the future held for public relations. He saw then the public relations man becoming a general communicator under an umbrella concept of corporate communications, i.e., advertising, public relations and marketing. His communicator or "integrator" is a collator whose role is to decide how departments can work to complement each other according to one common goal.[2]

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[1] Terpstra, American Marketing, p. 135.

[2] William Safire, The Relations Explosion, (New York: MacMillin, Co., 1963).

In looking at the international public relations practitioner representing multinational interests, the validity of Safire's thesis is quite evident. The role of the public relations man is evolving from that of a straight publicist trying to sell goods in a foreign country to an expert whose function involves counsel, government and employee relations and the many other facets of corporate relations.

There is, however, one more essential ingredient which is inherent in international public relations and not evident in domestic public relations. The two-way flow of information to and from an absentee American management corps and the host country publics. Such information is not necessary in domestic public relations. Normally, management works and lives in the same areas as their plants and can discern--if not evaluate--the various pressures and influences which will help them form their day-to-day operational decisions. The corporate public relations man helps to guide management and counsel them about these influencing factors. But with operations thousands of miles from the major decision-making headquarters, this information is a valuable tool of management.

International public relations expert Geoffrey Kean details this important role of information by noting that international public relations "explains to home management and the public at home the attitude of the public in those countries where the company does business."[1]

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[1]Geoffrey Kean, The Public Relations Man Abroad (New York: Frederick A. Praeger, Publishers, 1968), p. 9.

The effectiveness of this communication, how it comes about, and the new role of international public relations will be discussed next.

PART TWO

INTERNATIONAL PUBLIC RELATIONS

CHAPTER III

AN INTRODUCTION TO INTERNATIONAL PUBLIC RELATIONS

International public relations is a phenomenon which is clearly a result of the expansion of American business into foreign markets. As domestic corporations once discovered the "need for more sophisticated in-bound communications from industry's publics"[1] so too have international marketers found a vital need for such input.

In 1971, Cutlip and Center noted that the practice of international public relations would:

> . . . accelerate to meet the needs born of a hotly competitive world market and of a spirited economic and political struggle in a world linked by rapid international telecommunications and transportation.[2]

This prediction, proven true over the past three years, is the result of many factors. Among the sociological and economic factors is one proposed by the leading international public relations firm.

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[1]Allen H. Center and Scott M. Cutlip, Effective Public Relations (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., Fourth Edition, 1971), p. 431.

[2]Ibid., p. 635.

THEORY

In 1967, Hill and Knowlton's Handbook on International Public Relations advanced a theory that public relations required a suitable climate for growth in each nation it entered. Three dominant elements were necessary to sustain this climate:

1. "A stable and democratic government;
2. "A political and economic system which allows the development of private enterprise and encourages competition in many fields of endeavor;
3. "The existence of prosperous and thoroughly independent media, over which the government has a minimum of control."[1]

Other forces also appear to affect the practice of public relations such as long traditions of free speech and press. There was also a correlation mentioned which linked a tradition of free trade and the influence of multinationals with unlimited public relations success in some countries and a comparatively fragile existence in others.[2]

One of the great contraversies of the public relations profession has been the inability of practitioners to agree on an adequate definition of what it is they do. Thus, while they phi-

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[1]Hill and Knowlton International, Handbook on International Public Relations (New York: Praeger, 1969), pp. vii-viii.

[2]John W. Hill, pioneer public relations practitioner, notes that even though his criteria for successful public relations may be evident in a given country, the degree to which the public has accepted concepts such as free speech and press directly affect the rapid development of public relations. Other factors such as length of time and quality of each freedom should also be considered. This explains a passage in Hill's introduction to th Handbook on International Public Relations in which he maintains there are often "startling differences" in public relations development between two economically and industrially comparable neighboring nations.

osophize about the factors that make public relations fruitful in given areas of the world, many practitioners are still puzzled about the exact definition of their work. And this is not restricted to the United States.

James Everett, a Dutch public relations man, outlined such a situation in his own country when he wrote last year that:

> Some humorist once stated, 'When the end of the world comes, I hope I'm in Holland, for everything there happens years later than elsewhere.' I am sometimes reminded of this statement as I have sat through extended discussions and debate during the past three years in the NGPR [Public Relations Society of the Netherlands] concerning an acceptable definition of 'public relations.'[1]

Surprisingly this has not been the case in international public relations. Practitioners working on a world-wide basis have agreed that whatever public relations is domestically, that is what it is abroad, only directed at foreign audiences.

While this explanation seems inordinately flippant, it is, nevertheless, a fairly valid description of what international public relations is. Author and public relations expert Geoffrey Kean explains:

> Public relations becomes international when it directs its appeal to foreign publics. International public relations deals with many countries, many nationalities, and, above all, many mentalities. While the broad goals are the same as those of domestic PR, IPR [international public relations] has to be cosmopolitan and know how to speak every language, in all senses of that phrase.[2]

Four years later, in 1971, Kean repeated his original defi-

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[1] James A. Everett, "The Netherlands," Public Relations Journal, February 1973, p. 41.

[2] Kean, The Public Relations Man Abroad, p. 7.

nition but added that in a "nutshell" international public relations was nothing else but "diplomacy, tact and understanding of the local environment."[1]

John W. Hill, Chairman of Hill and Knowlton's Policy Committee, viewed international public relations in 1967, as a modified brand of American public relations which had been "supplemented to suit the conditions peculiar to each area."[2]

Utilizing a broadly recognized and accepted Cutlip and Center definition[3] and adopting it to international markets, the following definition has been adopted for use in this paper:

> International public relations is the planned effort to influence opinion and increase awareness of a foreign organization's role in each host country through socially responsible performance and careful consideration of local needs, issues, customs and laws. This must be flexible from nation-to-nation and accomplished by mutually acceptable two-way communication explaining overseas attitudes to the domestic publics and the company's contributions to the host society.

Public relations in its international mode is a very valuable tool of marketing and an invaluable source of knowledge for management. Using well-schooled practitioners and local experts, it can familiarize an absentee management with cultures, media habits, and a variety of differing human traits exhibited in other national milieus. International public relations should supply answers to any possible questions management may have concerning the territories in which their corporations are located and opera-

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[1] Idem, "The Importance of International Public Relations," California Management Review," Summer 1971, p. 68.

[2] Hill and Knowlton, Handbook, p. v.

[3] Center and Cutlip, Effective Public Relations, p. 2.

ting. Because managements everywhere are beginning to recognize what a great tool public relations can be, the role of the practitioner has expanded enormously.

CHAPTER IV

THE ROLE OF THE INTERNATIONAL PUBLIC RELATIONS PRACTITIONER

> Over half a century ago, the noted satirist and cynic, Ambrose Bierce, described the American Corporation as 'an ingenious device to obtain individual profit without individual responsibility.' In recent years, attacks on the 'public-be-damned' philosophy, newspapers and book exposés, anti-trust and regulatory agency actions and stricter imposition of 'director liability' have all made management aware of its individual responsibility. These pressures . . . have caused management to take a more humanistic and concerned view of its relations with its many audiences.[1]

This has also placed a greater responsibility on the public relations practitioner whose role is to counsel management on these public attitudes. Public relations is being adapted overseas to provide this invaluable service to the American-entrenched management. But the passing of information to management, is insufficient in itself. The international public relations practitioner must be able to tell his officers what a particular trend means in terms of profit or loss; what particular approach to take in a sticky situation; what remedial action is necessary in a given problem area and what the best actions might be to elude similar problems in the future--and all have to be provided for every country in which the corporation has operations. Each may require

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[1] Roy G. Foltz, Management by Communication (Philadelphia: Chilton Book Co., 1973), pp. 4-5.

irrelated approaches.

Thus, the counseling phase takes on a greater significance given the constantly varied and strange environments in which a corporation finds itself.

> U.S. domestic public relations and international public relations have much the same field of action but IPR has additional and extremely important responsibilities. Domestic PR explains the activities of a company to the domestic public. International public relations works in two directions. It also explains to home management and the public at home the attitude of the public in those countries where the company does business.[1]

The international public relations practitioner must be particularly sensitive to the human condition on every plane so he may be able to accurately assess the situations and assist management in its decision-making processes.

Public relations practitioners must be able to identify, analyze and interpret trends on an unprecedented scale when overseas. It would be a terrible mistake, for example, to assume what works for one country will work in a neighboring nation. In Europe, for example, no one nation is like the other and while newspapers headlined the unity that the European Economic Community would bring, it has become obvious that such international harmony still has far to go.

> Far too many American businessmen, attacking the European market for the first time, try to treat the Continent of Europe as one big country. This attitude leads to all sorts of trouble . . . Europe . . . is still a group of highly independent nation states. Each has its own language, its own culture, its own social mores, and its own business ethics.[2]

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[1] Kean, The Public Relations Man Abroad, p. 9.

[2] Peter Bloomfield, "The Reality of Public Relations In Europe," Public Relations Quarterly, Winter 1971, p. 18.

There is really no one particular way to practice international public relations. The international public relations practitioner must be a multi-facted, multi-talented individual with a clear set of objectives in mind. He must also be able to keep historical factors in perspective especially in those countries which are so identifiably linked to the past.

He must also be able to recognize the goals set by his corporation and have a plan to deal with them. If he can accomplish this, then his acceptance by management is assured. Today's international public relations man, even more so than his domestic counterpart, must have management backing.

> Practitioners are in the middle of heated national conflicts that formerly only senior statesmen dealt with. Multinational companies have crossed the borders into virtually every non-communist country. They must now learn to live with people of other cultures who speak strange languages. The public relations counselor is the only professional with the training, background, and experience to guide management in adopting policies and practices which permit successful operations in foreign areas.[1]

In his article, "International Public Relations--Where the Action Is," expert Roy Leffingwell views the field as a means of utilizing domestic public relations techniques to guide top management "in matters involving people-to-people activities in more than one country."[2] This job is made more complex, he explains, due to the varying social customs, language differences, governmental restrictions and a thousand national idiosyncracies.

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[1]Roy J. Leffingwell, "International Public Relations--Where the Action Is," Public Relations Journal, February 1973, p. 7.

[2]Ibid.

Public relations has been used by management for a number of years as a stepchild of advertising and other marketing functions. In the United States, it has been the publicist, firefighter, product promoter, image builder, spokesman, and front for management and business. In overseas markets, more credence is placed on the need for qualitative advice. International public relations is no longer a stepchild, it is a full-fledged member of the management family overseas. An English public relations expert notes:

> In general, American firms are great believers in what public relations can accomplish; they will put a greater proportion of their operating budget into public relations . . . Because management understands that these public relations problems are serious and can have major effects on the growth of the company, public relations in general is gaining a greater foothold in their thinking.[1]

While this view of an enlightened, public relations-conscious, management corps is held by many, at least one European public relations expert disagrees:

> . . . very few of the larger European corporations have a chair for the public relations professional at the conference tables, where top-managements thrash out policies and make their long and short term plans . . . American multinationals, even those with sizeable marketing and production facilities in Western Europe, are not much different in this respect.[2] In fact a few of them seem worse . . .

Mr. Hartogh attributes this public relations vacuum to over-centralized management, the inability of American managers overseas to become involved with local communities and a lack of

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[1]Robert S. Leaf, "England," Public Relations Journal, February 1973, p. 28.

[2]Hartogh, "Public Relations Europe," p. 30.

public relations-minded top managers. This viewpoint is one of the few negative pictures painted of the profession overseas. Most public relations practitioners feel there is a changing tide in management; a realization that public relations is a viable and important source of overseas acceptance.

As political climates change and pressure increases toward political autonomy, American corporations and every other multinational face restriction on their growth. Foreign governments have, in the past, discouraged American investments which they fear may swallow their young economies.

> . . . under these circumstances, American corporations face difficult problems. They cannot merely withdraw--they must work harder than ever--and much of their attention must be given to the public relations aspects of their international operations.[1]

Unlike Mr. Hartogh, Roy Leffingwell, Chairman of Leffingwell/Associates, Inc., Honolulu, notes that:

> . . . management is recognizing that there are more opportunities for increased productivity and profit in improved relationships with employees, customers, stockholders, suppliers, the community and other of its publics than any other area. And, in order to deal more effectively with people, every action taken by the organization is important. Communication is vital, however, all people-to-people contacts must be coordinated into one single program. This is public relations.[2]

Unlike domestic public relations, which many managers feel is a simplistic concept to be handled by anyone with a modicum of writing experience, the international market tends to display the

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[1]William A. Durbin, "International Public Relations," in Current Thought in Public Relations: A Collection of Speeches and Articles, Malcolm M. Johnson, Thomas Kindred and William H. Yolen, eds. (New York: M. W. Lads, 1968), pp. 120-121.

[2]Leffingwell, "Where the Action Is," pp. 7 and 24.

talents of the public relations expert in a better light. Only he seems prepared to deal with the multitude of new concepts and varying cultures.

All too often, public relations practitioners shift the blame for poor policies or plans to an unenlightened management. However, an editorial in the Spring 1968 Public Relations Quarterly redirected the blame and placed it firmly and fairly on the competence or incompetence of the public relations practitioner:

> If the public relations man is to be an able advisor to management, he must be more informed, more able than he is now, in the majority of cases, to analyze international opinion. There have been more than enough warnings that change is doubling and redoubling on itself, that the techniques and concepts that served us well in the past are no longer adequate . . . The man who does not perceive what is happening in the world may well be responsible for his own destruction and that of his organization as well . . .

Of course, the public relations practitioner must find a sympathetic ear in top management. In many corporations in the United States, public relations is a secondary consideration, an afterthought following formulation of management plans. All too often, public relations is called in to halt the course of events rather than to shape them. One critic of the way management has ignored the counsel of the international public relations practitioners is Richard R. Mau, the Corporate Director of Communications at Sperry Rand. He recently told a New York University seminar:

> Public relations planning for international operations is usually the stepchild of the domestic operations and most of the results we see, especially in European countries as well as other countries around the world, proves this point . . . planning is a very

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[1] James F. Fox, "The Challenge Is Clear," Public Relations Quarterly, Spring 1968, p. 56.

> definite function of understanding. In the case of international communications, too few of us going into the area of international communications understand enough about the publics in other nations to define the objectives we are trying to achieve and ultimately to execute programs . . . [1]

Mr. Mau also observed that marginal levels of knowledge by practitioners regarding the social, economic and political situations in host countries has caused many of them to abdicate their control of international communications activities. By not knowing or being familiar enough with what is happening in those countries for which they have public relations responsibilities, control has to be passed to the people on-the-spot whether they are capable or not.

By preparing and acquiring knowledge, the public relations practitioner overseas can be assured he will be called on for consultation during management decisions. His input will be a valuable consideration in making key decisions. This, historically, has been a problem for public relations. It is up to the practitioner to convince management of his worth, or the situation Mr. Mau describes will be accurate both at home and abroad.

As early as 1952, public relations pioneer Verne Burnett told an audience of social researchers that "one of the greatest values of public relations is in its application prior to the planning of an action or statement . . . "[2]

Domestic management has the advantage that it can view the

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[1]Richard A. Mau, "Setting Objectives and Planning for International Public Relations," tape recorded at New York University seminar, Commodore Hotel, New York, 15 April 1974.

[2]Raymond Simon, ed., Perspectives in Public Relations (Norman: University of Oklahoma Press, 1966), p. 194.

results of its poor decisions and can set about correcting them immediately. In the overseas market, the great distances preclude such immediate remedial actions and management may well find a problem situation too far down the road to quickly rectify.

Management must trust the accuracy and efficiency of its overseas public relations staff and their recommendations for timely implementation of public relations programs. The need for clear and concise management--and concurrently for competent international public relations practitioners--was stated more than six years ago by Geoffrey Kean. Today, public relations practitioners are witnessing a change in management philosophies, particularly in overseas operations. William A. Durbin of Hill and Knowlton International, has recently been in the vanguard of a movement to warn business leaders not to repeat domestic mistakes overseas.

He views the multinational experience as a rarely-provided second chance to profit from domestic errors; "to avoid on the international plane the kind of confrontation and debilitating acrimony that besets (multinationals) at home."[1]

Mr. Durbin believes that corporate managers do value public relations counseling and are now attempting to include it in the formulation of policy. He writes:

> Belatedly today, American business is making a genuine effort to ride and even influence the tides of societal change rather than build dikes to hold them back. Those of us responsible for corporate communications have the incredibly difficult task of convincing people that this time industry really

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[1]William A. Durbin, "Public Relations at the Multinational Level: Let's Not Repeat Domestic Mistakes," Management Review, April 1974, p. 12.

means it.[1]

Journalists also indicate an awareness of this changing attitude concerning the importance of public relations in the planning stages overseas. Max Ways of Fortune magazine noted that:

> . . . in recent decades there has been a dawning awareness that no corporation, no government bureau, no organization of any kind, can flourish and carry out its responsibilities without paying attention to its public relations.[2]

John Lewis Allen, vice president of PR Associates, Inc., of New York, is typical of the public relations executives who feel that management is finding public relations more useful than before. He reports that:

> As government, business and institutions experience greater scrutiny, managements are arriving at the conclusion that the appropriate response, and the best in the long run, is candor. Public relations has a critical role to play, therefore, in re-establishment of credibility . . . The inherent orientation of good public relations towards credibility, with the support and confidence of managements, can achieve the understanding on which confidence must be based.[3]

In the same article, Santa Saliture of Northwestern Mutual Life Insurance acknowledges that "at last top management has begun to stop thinking of public relations as frosting on the cake . . . "[4] The public relations function, therefore, is being accepted for what it is--a management function.

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[1] Ibid.

[2] "Summary of Major Conference Presentations," Public Relations Journal, January 1974, p. 27.

[3] "What's In Store In 1974?" Public Relations Journal, January 1974, p. 10.

[4] Ibid., p. 30.

The function of public relations has long been the subject of much discussion by academicians, business leaders, journalists and professional public relations practitioners. Cutlip and Center's highly touted text book, Effective Public Relations, suggests that a variety of factors influence the placement of the function in the management hierarchy:

----Attitudes of top management.

----Capabilities of the public relations staff.

----General structure and policy of the corporation.

----Products and market areas.

----Size of the corporation.

The authors note that "awareness of the importance of public opinion is characteristic of today's generation of organization executives."[1] If this is true, then even greater importance must be placed on the capabilities of the international public relations practitioner. Since his analyses of trends overseas form much of management's decisions, it is his credibility which is constantly at stake with each management decision.

International public relations is not merely sending out a press release in many languages. It can be an "important input for management and just as important an instrument of management."[2] Geoffrey Kean, author and director of the IBM World Trade Corporation's International Agency Activities, views international public relations as a two-way street that is not only a company's means of protecting its image, but:

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[1]Center and Cutlip, Effective Public Relations, p. 159.

[2]Kean, "Importance," p. 69.

> . . . it is also a source of information for management to apprise it of situations it should know about and what might be done about them. This is particularly true of international public relations because the top management is often ten thousands of miles away and what may be an excellent idea in New York City may still be an excellent idea in Rome if the right Roman approach is found, and a fiasco if it isn't."[1]

Kean continues, saying:

> Many public relations projects from home or other countries can be assimilated elsewhere but some cannot and must be replaced by special projects designed to meet local conditions.[2]

It is, therefore, the role of the international public relations counselor to be conversant with the local conditions. The competence of the international public relations practitioner must be even greater than his domestic counterpart and he must be armed with impeccable credentials for plying his trade.

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[1] Ibid.

[2] Ibid., p. 70.

CHAPTER V

THE INTERNATIONAL MARKETPLACE: HOW DOES IT DIFFER?

Many acknowledged experts still believe public relations to be a great pioneering adventure overseas, in which the expertise of the practitioner will continue to grow. It will continue to expand, according to Ken Makovsky, of Harsh-Rotman and Druck, Inc., because "the public demand for accuracy, reliability and responsibility will increase the level of conscientious public relations performance."[1]

While a demand for accurate, qualitative public relations is sure to result from outside pressures, the onus for creation of the movement must come from within. It will be the role of each public relations practitioner to develop future courses of action to assure that his profession and his knowledge are equal to management's demands. Motorola's New York public relations manager notes that:

> If the profession of public relations is to attain a meaningful, lasting and essential place in the organizational life, its practitioners will have to expand their horizons. Specifically, they should contribute more to the long-range plans and strategies of their organizations, helping management identify and prepare to cope with the major problems/opportunities

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[1]"What's In Store," Public Relations Journal, p. 6.

ahead.[1]

Nowhere is this more valid than in the international marketplace. The overseas contacts of a public relations counsel can be invaluable in providing the practitioner and management with up-to-date, accurate information. The public relations counselor can assure management that when information reaches them it will not be diluted, garbled, filtered or distorted if he has complete control. This control can only come from knowledge; knowledge of his business, profession and areas of responsibility.

While there is still room to expand the body of knowledge of public relations, a great many practitioners have reached a level of competence which could only be achieved in a truly multinational environment. Yet this competence did not come overnight. It is the result of years of trial and error in all the world markets. And, the skills and knowledge acquired overseas are peculiar to the field.

For instance, the international practitioner must have the ability to operate under diverse pressures and conditions unknown in the domestic market.

> The international public relations practitioner must somehow set up a viable program that can take into account a wide variety of social, cultural, economic and historical factors.[2]

In the United States, public relations has become a part of our landscape. Radio, television, newspapers and magazines are

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[1]Arthur M. Merims, "Expanding Horizons," Public Relations Quarterly, Winter 1971, p. 32.

[2]Hugh C. Hoffman and Robert C. Worcester, "The International Scene: A Review of Current Practices," Public Relations Quarterly, Spring 1968, p. 9.

all used to convey the public relations message.

> Public relations has become a powerful factor in American life. It is deeply influencing the tastes and wants of the American public, the behavior of its own creators and of the people for whom it is employed.[1]

The American way of business and industry with its innovative marketing practices, its advertising, promotion and production are taken for granted in the United States. They are a way of life for most of us. Overseas, this is not true. In international markets, people tend to be more traditional in their approach to business.

Steven Freidberg, manager of international public relations for the Chemical Bank says that "Foreign nationals don't understand the American side of business and aren't often familiar with domestic problems."[2]

This is due, in part, to a lack of integration of the populace into the general scheme of business and industry abroad. The entire population is, in many countries, still broken down into rural, suburban and city sectors which in many cases are highly independent of each other. This makes public relation's role doubly difficult since:

> . . . the largely unified attitude of the main U.S. audience is not waiting for the U.S. image maker when he goes abroad, and this adds to the complications of different languages and customs with which he must work . . . The interdependence of all--business and industry, unions, farmers, governments--is far from

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[1]Kean, The Public Relations Man Abroad, pp. 7-8.

[2]Steven Freidberg, "Managing the International Public Relations Program," tape recorded at New York University seminar, Commodore Hotel, New York, 15 April 1974.

being universally recognized.[1]

While global advances in travel, communications and transport of goods and services have brought people and nations toward a mixing of minds and cultures, there is still a long way to go.

> Far too many American businessmen, attacking the European market for the first time, try to treat the Continent of Europe as one big country.[2]

This can lead to problems in every aspect of the business experience. Peter Bloomfield, the director of a British public relations firm, stresses the fact that Europe does not contain a united business philosophy but remains a group of different, independent nation states.

> Excluding the U.S.S.R., Europe consists of 33 countries, speaking 29 languages and using 24 currencies. Public relations in each country reflects the nature of the people and their institutions.[3]

Mr. Bloomfield's interpretation of the highly individualistic state of public relations in international markets emphasizes the need for a thorough knowledge of the terrain and a different public relations approach for each country. For years, some American multinational corporations had been wrongly convinced that one public relations man could operate effectively in a number of countries simply because he had some foreign experience. An international public relations expert points out the dangers inherent in that approach:

> The biggest mistake that multinationals can make--next to fielding their own staffs--is that a public

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[1] Kean, The Public Relations Man Abroad, p. 9.

[2] Bloomfield, "The Reality,", p. 18.

[3] Ibid., p. 19.

> relations agent of high professional standing in one country can be equally competent in another.[1]

In the past, public relations counselors were sent from one country to another bringing to bear their limited expertise in each area. This only lead to difficulties.

As Peter Bloomfield notes, "European public relations must, of necessity, be run on a country by country basis."[2] Multinationals are finding that this is true in virtually every country in which they operate. Not surprisingly, the most effective means of providing local public relations is to hire local talent.

Mr. Bloomfield notes that "there are precious few Americans who can operate effectively anywhere in Europe without a national of the particuliar country concerned to hold their hand."[3]

How else, for instance, would the American practitioner know that tactics employed by domestic practitioners are often "completely unacceptable . . . to the British press more accustomed to a leisurely approach than the razz-a-tazz hard sell."[4]

Take, for example, the Netherlands. Here is a country which is 40 per cent below sea level, fighting to rid itself of an image of wooden shoes and windmills and facing severe cultural and economic shocks as it progresses with the rest of the world. The vice president of a Dutch public relations firm describes his

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[1]Ray Josephs, "Uncomplicating the International Market," Public Relations Journal, February 1973, p. 17.

[2]Bloomfield, "The Reality," p. 19.

[3]Ibid.

[4]Frederick Ellis, "Helpful Hints from an Allergic British Journalist," Public Relations Quarterly, Winter 1971, p. 25.

country thusly:

> Here we find one small nation with two official languages, Dutch and Fries, with most of the population speaking English or at least one additional foreign language. Some 128 registered political parties of which about 28 are usually represented in the parliament. A country where chastity and piety were once the rule but now where sexual freedom and liberal attitudes toward drugs makes Amsterdam a Mecca for the Mod, the Hippy, the Way-Out crowd.[1]

It is evident that Mr. Everett's country is changing so rapidly that he finds it difficult to cope with the different revolutions it is undergoing. One can well imagine the problems faced by a transplanted public relations counselor in such a changing climate. Mr. Everett notes that "these accidents of history, geography and social environment create a unique situation to which the public relations practitioner must be sensitively attuned."[2]

The "unique situation" seems to be a commonplace occurrence in the international practice of public relations. Even in English-speaking countries such as the United Kingdom, the international public relations practitioner is faced with a variety of "unique situations." While English is the predominant language, for instance, one must be ready to face Welsh, Scottish Gaelic, Irish Gaelic, Manx and Cornish Gaelic, and even a form of French-Norman patois which is spoken in the Channel Islands.

A British public relations specialist explained another reason why the foreign practitioner might experience difficulties

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[1] Everett, "The Netherlands," p. 14.

[2] Ibid.

and turn to the local expert.

> The average (British) public relations consultant and public relations officer has a far greater understanding of how the parliamentary and local government system works and how to approach it effectively than does his United States counterpart.[1]

Seven years ago in Hill and Knowlton's Handbook on International Public Relations, a Belgian public relations director characterized the impracticabilities of moving a foreign practitioner into his country with this advice:

> The amount of participation by a company in the moves and customs of its new surroundings can only be defined by a careful study of the habits and psychology of the surroundings. We can only advise foreign companies to take local advice on these matters. We believe it practically impossible for a foreigner to know and understand local habits . . .[2]

The editors of The Handbook on International Public Relations, one of the few aids in this field of overseas public relations, also noted that no one solution was available in coping with the vagaries of the international market. The editors explained that in 1967, there were:

> . . . wide variations in the degree of advancement of public relations between one European country and another . . . two (comparable) neighboring countries may reveal startling differences in their public relations development.[3]

In past decades, in many countries, especially the developing ones, there was an acute shortage of trained public relations personnel from which to draw. This was aggravated by a lack of organized training overseas--in educational facilities

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[1] Leaf, "England," p. 30.

[2] Hill and Knowlton, Handbook, p. 22.

[3] Ibid., p. vii.

and qualified teachers. This vacuum forced American multinationals to use public relations experts from other countries--usually the United States. The Handbook on International Public Relations noted in 1967, that it was "fair to say that the shortage of competent public relations personnel (was) a European-wide problem."[1] The Public Relations Journal reported last year that as late as 1968:

> . . . a good two-thirds of American outward-bound multinational firms were still relying on their own staffs, rather[2] than hiring local agencies for specific assignments.

Even as late as 1971, a survey conducted by PR Aids, Inc., of New York, indicated that 63 per cent of those practicing international public relations thought that "their own staff abroad would be better than an agency overseas."[3]

In the ensuing years, dramatic advances have been made in overseas public relations--both in its practice and its teaching.[4] Global programs have been initiated to knit together the far-flung practices of public relations. Many multinationals have hired outside consultants to provide assistance to transplanted American public relations practitioners. Others have opted to put their entire programs into the hands of foreign public relations firms.

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[1] Ibid., p. 198.

[2] Josephs, "Uncomplicating," p. 17.

[3] Richard Toohey, "A Survey of Overseas PR Today," Public Relations Quarterly, Winter 1971, p. 16.

[4] Public relations teaching is presently a burgeoning field of academic growth overseas. For a brief but interesting country-by-country discussion of the teaching advances see Howard Stephenson, Handbook of Public Relations, (New York: McGraw Hill Book Co., 1971) pp. 67-74.

Still others have made use of public relations counsel on a case-to-case basis.

However, author and practitioner Ray Josephs sees a problem in such an eclectic approach. He notes that:

> . . . there is a growing realization that international public relations services must range beyond activities in individual countries and encompass a global point of view. Without global coordination, PR programs will continue to be patchworks of contradictory goals and projects.[1]

The problem, as Josephs sees it, is the adoption of different goals for each country rather than establishment of a common goal for all markets. In the past, the problem has remained unsolved because no professionals, except in-house multinational practitioners--were active in more than a few countries. Now the situation has changed. Organizations are springing up which can handle a global plan for the multinationals. One such is Infoplan, a wholly owned world-wide organization established in 1962. PRESKO PR Company, Ltd., is another such organization headquartered in Bangkok with offices in Malaysia, Indonesia and other Asian areas.

Still another is the International PR Group of Companies, Inc., which began as an affiliation but was incorporated in 1968, with administrative offices in Honolulu. The firm is composed of 43 independently-owned public relations agencies located in major markets around the world. Using local experts in each country, they can take a single plan for one company and implement it world-wide with no loss of expertise from country-to-country.

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[1]Ray Josephs, "A Global Approach to Public Relations," The Columbia Journal of World Business, Fall 1973, p. 95.

The success of this operation was explained last year by Mr. Josephs, their president, who noted that their representation could be two-way because:

> On the one side, they represent foreign firms in their (local) market; on the other, they represent local firms internationally--which means they can take as well as give directions . . . the international public relations firm typified by the IPR partners must offer eclectic service, and not merely a smattering but expertise in about everything . . .[1]

The fact that such an organization has been competitive on a world-wide basis attests to the increase in the quality of international public relations. This can be traced, in part, to the formation of international societies to increase expertise by foreign practitioners.

European international public relations associations have been active since 1949 providing a standard of quality for all practitioners. The International Public Relations Association (IPRA), the Inter-American Federation of Public Relations (FIARP), Center for European Public Relations (CERP) and the Pan Pacific Public Relations Association have all been formed to meet the challenges posed by international businesses.

In fact, in Cutlip and Center's book, Effective Public Relations, the authors report that "growth and professionalization has been stimulated"[2] by these international confederations serving the three major areas of the world--Europe, Latin America and the Pacific regions.

At present, the largest international association, IPRA,

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[1] Josephs, "Uncomplicating," p. 16.

[2] Center and Cutlip, Effective Public Relations, p. 656.

recognizes the national public relations organizations of some 43 nations--a long way from the original five (Britain, Holland, France, Norway and the United States) which formed the association 13 years ago.

This recognition means that "such bodies have a complement of qualified members"[1] with professional objectives, a code of conduct, entrance standards for admission and are influential in promoting academic interest in public relations. The association holds a yearly World Congress of Public Relations which has "stimulated and facilitated exchange of ideas and provided a meeting place for practitioners from all countires."[2]

In the United States, American public relations practitioners are well aware of the challenges to be met overseas. John B. Riffel, Chairman of Public Relations Society of America's International Committee, has called this era of public relations "exciting times for public relations practitioners." He writes that:

> The Public Relations Society of America, through its committee of international public relations, is rapidly organizing to assist its members to become effective in meeting this challenge . . . In cooperation with (the international societies) our society is positioning itself to become the major source of training and information on international public relations.[3]

The formation of such groups has done much to raise the

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[1]Robert Bliss, "What in the World...," Public Relations Quarterly, Spring 1968, p. 48.

[2]Center and Cutlip, Effective Public Relations, p. 656.

[3]John B. Riffel, "Editorials," Public Relations Journal, February 1973, p. 2.

quality of foreign public relations. This has created a variety of options for multinational business in selection of public relations counsel.

However, whether the multinational executive decides to use the many international public relations firms springing up overseas; an American advertising/public relations firm with international operations or an in-house department overseas, practitioners all agree that there is only one place to practice international public relations . . . in the host country. A French expert warns that:

> Those who still believe, if they are American, British, or French that their international P.R. can be governed from Indianapolis, Stratford on Avon or Roquefort are not ready to be multinational.[1]

Multinational corporations extending their operations into new territories are usually faced with new demands, problems and situations. Each host country expects to be treated with a different set of standards.

Local media differences, language, red tape, governmental restrictions, societal nuances and a thousand other factors make up each foreign market. Ray Josephs writes:

> . . . in view of these intricate needs when entering a new market, it seems inevitable that multinational companies would rely on local public relations firms.[2]

The local practitioners manning foreign offices are attuned to the history, geography and social environment of their

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[1] Jacques Coup de Frejac, "After de Gaulle: Are Multinational Corporations Now Welcome?" Public Relations Quarterly, Winter 1971, p. 23.

[2] Josephs, "A Global Approach," p. 94.

own cultures and countries and are an excellent source of instant knowledge to be tapped and used. These local agencies:

> . . . automatically provide the singular advantage of staff and line personnel with accumulated knowledge, training, and understanding of language, customs, and business procedures.[1]

In summation, in situations in which communication is the most powerful consideration, great care and effort must be made to ensure that the correct message is sent and received. No greater insurance policy can be drawn up than the employment of a competent foreign/local public relations practitioner who can attest to the accuracy of the message. Dan Seymour, president of the 109 year old J. Walter Thompson Agency, sums up the combination of efforts necessary in counseling and representing a multinational company:

> The true value of multinational operations comes from fruitful collaboration, among the people on the ground in the target area, those at headquarters, and those with relevant experience in other countries . . . as in chemical synthesis, the whole is greater than its parts.[2]

The result of this cooperation should be an effective message to each target audience. Yet even after attempting to avoid all the pitfalls, mistakes are made. Geoffrey Kean says this phenomenon of breakdown of communications, whether external or internal, is induced by the great distances with which multinationals are forced to work. Without proper supervision by public relations executives, information transmitted to home offices often

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[1]Kesaji Munekata, "Japan," Public Relations Journal, February 1973, p. 10.

[2]Dan Seymour, "Six False Assumotions of the Multinational Freshman," Public Relations Quarterly, Winter 1971, p. 14.

contains what one feels management would like to hear rather than the actual facts. Kean explains:

> Not only do things look differently when you are on the other side of the ocean than they do back home, even communication between people of the same background, training and speech can be difficult.[1]

Public relations experts overseas now demand adequate corporate controls at the local level so that supervision of policy and objectives can be properly carried out. This puts the day-to-day administration of public relations in the hands of the on-scene practitioner and allows him to bring to bear his knowledge of the terrain. With a master plan for international public relations and proper controls in the hands of local practitioners, there is created "an underlying theme to get across and plenty of room for local variations."[2]

The director of overseas public relations for Deere & Company, W. H. Crosson, Jr., responded to the questions of communication, local control and policy-making by noting that specific public relations programs for Deere were developed by public relations assistants abroad. The domestic staff is then used to provide support and assistance to the overseas activities. He continued his explanation by noting that:

> . . . policy and program outlines can be controlled by a small staff in the United States, provided that adequate representatives exist in each of the areas overseas which are the targets of the PR effort . . . In my opinion, international public relations requires both corporate staff and agency support overseas . . .[3]

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[1]Kean, "Importance," p. 73.

[2]Ibid.

[3]W. H. Crosson, Jr., "Comment," Public Relations Quarterly, Spring 1971, pp. 2-5.

The cooperation of overseas staff and domestic staff was urged by Ray Josephs in his excellent article on the global aspects of public relations:

> . . . the international businessman must learn to live with virtually every people and culture on the globe. To help in this extraordinarily difficult task, a program of public relations which coordinates counselors in every country of interest with the multinationals' home counselor should be implemented.[1]

This collaboration allows for an integration of the home offices' expertise on business and domestic public relations with the local international expertise of on-scene practitioners. Thus, the home office provides invaluable business insight while the overseas office "adapts the home policy directives to the needs, operating methods and requirements posed by local conditions."[2]

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[1] Josephs, "A Global Approach," p. 97.

[2] Ibid.

CHAPTER VI

LANGUAGE AND COMMUNICATIONS

One of the most common mistakes in any relationship is the assumption that two people, speaking to each other in the same language, are communicating. Semanticists explain that meanings of words are constantly changing since they are wholly experiental. They note that there are myriad differences between literal and metaphorical meanings of words. Cultures assign such classifications to every word they use. Thus, to learn the mechanics of a language is not necessarily sufficient ensurance that one understands what is being said.[1]

Language barriers pose an interesting and difficult problem for the international public relations practitioner. American corporations must ensure that the original meaning of their messages--so clear and effective in English--will retain their original purposes when translated into a foreign language. Geoffrey Kean notes wryly that "unfortunately, there are many who cannot communicate, but insist on talking."[2]

Japanese public relations man, Kesaji Munekata, warns

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[1]An excellent, albeit lengthy, discussion of the semantic and anthropological considerations of communications in respect to public relations can be found in Edward J. Robinson's work, Communication and Public Relations (Columbus, Ohio: Charles E. Merrill Publishing Co., 1966), pp. 183-209.

[2]Kean, The Public Relations Man Abroad, p. 20.

that:

> Inadequate interpretation can be dangerous. Painstaking care must therefore be exercised in using interpreters. One must speak slowly, use everyday language and brief, simple sentences . . .[1]

Geoffrey Kean also warns of the problems of translation and adds that:

> A word erroneously translated or given the wrong emphasis can lead to far-reaching misunderstandings. Added to this is the fact that people outside the U.S. are usually too polite to say that they have misunderstood.[2]

The possibility of such mistakes is slowly dwindling as contact with foreign nationals increases our awareness and understanding of linguistic and social differences. Yet, international public relations practitioners should be careful not to allow laxity to erode their communications messages. Qualified translators and well-schooled local practitioners are slowly erasing the threat of misinterpretation and should continue to be used to the fullest advantage.

But there is still another threat to international public relations posed by language barriers. It is what Robert Bliss terms "our addiction to monolingualism (English) and not being able to speak a second or third language."[3]

The March 1973 issue of Public Relations Journal published an article on the latest development of overseas public relations, the multilinugality of reports to foreign investors. Although the

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[1] Munekata, "Japan," p. 34.

[2] Kean, "Importance," p. 73.

[3] Bliss, "Comment," p. 49.

article by Dr. E. M. Burke, executive director of All-Language Services, Inc., of New York, is concerned with only the annual report, its ramifications can be applied to the broad spectrum of international corporate communications.

In the early 1960s, United States multinationals held the parochial attitude that the entire world would learn English if they wanted to deal with American corporations. Their reasoning was based on the fact that the majority of stockholders were residents of the United States. This is no longer a consideration.

The interdependence of multinationals and foreign investors and capital have created a need to facilitate the two-way flow of communications. Foreign language editions of virtually all important corporate communications are now necessary to satisfy the "increased awareness of the companies' existence by foreign security analysts, investment bankers and market makers."[1]

With increased multinational market activity in every country, comes the need for greater corporate identification. International public relations experts report a direct relationship between image and overseas acceptance. The image provided by a multinational corporation is another means of communication and identification. Mr. Walter P. Margulies, an international communications expert, explains:

> New companies, new technologies, new products are constantly searching out new markets and meeting new wants and needs . . . one of the toughest problems faced by the multinational marketer is communicating his sales message to people who do not speak the same

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[1]Dr. Edward M. Burke, "The Multilingual Era in Annual Reports," Public Relations Journal, March 1973, p. 18.

language . . . [1]

For the record, Mr. Margulies identifies a company's image as a "sum total of the myriad of impressions that create the public's opinion of it."[2] He advocates the use of corporate images to help sell the product and maintain communications and identity with the corporation overseas.

Dr. Burke has also seen a "tangible relationship" between favorable corporate images overseas and the company's finances. A favorable image improves virtually every phase of the corporate activity overseas--price/earning ratios, availability of equity capital from the public, and acquisition of fast capital in tight money markets, as well as creating a "favorable climate for acquisitions and diversifications."[3]

In the final analysis, those corporations which have approached international markets with a multilingual attack have been able to tell the world what sets them apart from the others in no uncertain terms. Dr. Burke explains that:

> In the global goldfish bowl, how a U.S. corporation is perceived overseas and the attitudes this perception creates, assume great profit and loss significance . . . the day of English language only is over for the enterprising U.S. company seeking to establish a stronger presence overseas.[4]

Today, more than ever, American multinationals are competing in an international marketplace on equal terms with corres-

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[1]Walter P. Margulies, "Images Around the World," Public Relations Quarterly, Spring 1971, pp. 12-13.

[2]Ibid.

[3]Burke, "Multilingual Reports," p. 18.

[4]Ibid., p. 19.

pondingly powerful foreign firms. They must be ready to meet the challenge head-on. To be effective in foreign public relations, the multinational corporation practitioner must be able to reach--and communicate in the most basic sense of the word--with the desired publics. Only a thorough knowledge of the language will suffice to fill this need. Anything less clogs the channels of communication and distorts the message.

One of the advantages of a multilingual approach to foreign markets is the ability to carry on a viable relationship with the overseas press corps. Using local public relations experts; an ability to understand local, regional and national differences; and a thorough knowledge of press rules, customs and regulations, the international public relations practitioner can enter this most difficult and often baffling area with some degree of confidence.

CHAPTER VII

THE OVERSEAS PRESS--ATTITUDES AND EXPERTISE

Domestic public relations practitioners recognize the fact that a working relationship with the news media is the most basic part of their everyday work. Cultivating these relationships ensures a rapport which is mutually beneficial to the newsman and the practitioner.

In the United States, a symbiotic relationship has been created over the years. Public relations provides newsmen with a steady stream of communications which serves to stimulate, interest and inform. In addition, the public relations practitioner maintains an up-to-date and detailed knowledge of his industry and can provide immediate access to management by interceding for the newsmen in acquiring fast breaking news. Indeed, public relations has become one of the major sources of information for newsmen. It is estimated that from 10 to 30 per cent of the news content of most news media comes from publicists.[1]

On the other hand, the newsman is the best and probably the most credible line to potential customers. The mass media form the straightest avenue of communications to the public.

> Public relations is the most cost-effective communications tool available to the business executive if properly utilized. But . . . it can't be bought by

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[1] Center and Cutlip, Effective Public Relations, p. 385.

> the page or pound or the minute. Unlike advertising, with public relations there are always at least two audiences that must be considered: the target audience itself and the press corps, which represents a kind of middle audience.[1]

These principles retain their validity in the international marketplace. It should be recognized, however, that press relations in this sphere are still in an evolutionary stage. For years, there has been great confusion overseas in defining the difference between publicity, advertising and public relations. Editors have been cautious of public relations material, labeling it, in many cases, "hidden advertising," Geoffrey Kean explains:

> Many journalists and non-American businessmen feel that a press release or story about a company is unpaid advertising . . . press relations, therefore, are approached much more suspiciously.[2]

Kean also notes that there is not the "close working relationship" between public relations practitioners, businessmen and newsmen that there is in the United States.

Cutlip and Center offer an interesting explanation for the patronizing attitude of the domestic press to the varying levels of public relations--ranging from outright flackery to honest endeavor. They write that newsmen are a "shrewd, understanding and sophisticated" lot who accept even the razzle dazzle of "circus" publicity because, like all Americans, "they love a circus."[3] But as long as the practitioner is candid, the authors explain, he retains the confidence of the press.

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[1]David H. Simon, "You Can't Buy Good Public Relations," Management Review, April 1973, p. 42.

[2]Kean, "Importance," pp. 75-76.

[3]Center and Cutlip, Effective Public Relations, p. 411.

Overseas, newsmen view their roles differently. They neither understand nor respond to American publicity and public relations in the same manner.

An Italian public relations expert discussed his countrymen's view of public relations in 1967 by noting:

> Mass media are usually suspicious of public relations which they consider disguised advertising or at least a nuisance . . . (they) are not receptive to public relations campaigns . . . announcements concerning business reports, appointments, new products, plant openings and the like are, in most cases, carried as paid advertising.[1]

Four years later, Cutlip and Center noted no basic difference in this attitude although they allowed that the "Italian industrialists . . . increasingly take the public into account in their employee, community and marketing policies."[2]

Just last year, Ray Josephs wrote that Italian dailes continue to disregard news releases and typically rejected industry-originated news as free publicity. He continued by reporting:

> Routine news coverage in the United States, such as financial reports, executive appointments, plant openings, new products has to be run as advertising in the Italian dailies.[3]

Foreign media experts also allude to the antagonism exhibited toward public relations by French newspapers, the practice of buying space in Mexico, and the great variance in acceptance of public relations all over the world. In marked contrast to Italy's suspicious attitude towards public relations is Scandanavia's total acceptance of the public relations function.

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[1] Hill and Knowlton, Handbook, p. 42.

[2] Center and Cutlip, Effective Public Relations, p. 646.

[3] Josephs, "A Global Approach," p. 94.

Scandanavian practitioners are proud of the rapid growth and national acceptance of the public relations field in their countries. Gone is the hostility of the early 1950s. Public relations has realized fantastic growth in Norway, Sweden, Finland and Denmark. In Norway alone, the number of corporations and institutions with public relations practitioners on their staffs has doubled in the past four years.[1]

Hill and Knowlton's Handbook on International Public Relations explains that the reason for this exemplary growth is "an acceptance of public relations that is growing in proportion to the increased number of qualified professionals in the field."[2] This is also true in other nations where further growth is viewed as a part of the normal business cycle.

In England, a British expert advises that the growth of public relations there as well as in other nations "depends on the ability of the people in it (the nation) to provide the great knowledge and insight that companies will pay for."[3]

Another important factor for international public relations practitioners to remember is not to be fooled by superficial similarities with our economic system. British and Canadian business interests seem to run parallel to ours; however, disregarding regional influences would be as inadvisable as disregarding basic cultural differences. For instance, British press attitudes

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[1]Sam Hudson, "Norway and Sweden," Public Relations Journal, February 1973, p. 12.

[2]Hill and Knowlton, Handbook, p. 91.

[3]Leaf, "England," p. 30.

towards public relations remain skeptical and cynical although the ranks of the profession are swollen with former journalists. Canadians, meanwhile, have been deeply affected by the French, American and English cultures. And while language similarities may facilitate the practice of international public relations in such countries, hidden cultural and historical differences only further prove the "foreigness" of this part of the international market.

Understandably, countries which have totally dissimilar cultures and languages offer even greater problems. Japan, for instance, with its flamboyant public relations practices and unique press club system make the practice of public relations in that country one of the most frustrating in the world.

Japanese press clubs hold a virtual monopoly on "news of industrial and governmental developments,"[1] according to Ray Josephs. News releases from companies are delivered not to reporters directly, but must go to the press clubs located in trade association buildings. Any variance from this practice results in a "blackball" of your international public relations material. This system creates numerous headaches for non-Japanese reporters and international public relations practitioners. Mr. Josephs reports that:

> These press clubs are the bane of every foreign correspondent in Tokyo. Foreign reporters are not allowed membership in the clubs; even Japanese representatives are excluded. This presents problems for the foreign reporter as well as the Japanese PR practitioner who must be attentive to establishing contacts separately

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[1] Josephs, "A Global Approach," p. 95.

with the foreign press.[1]

One of the greatest problems affecting the growth of public relations and its acceptance by the foreign press has been its ineffectiveness in selling itself.

Foreign editors and publishers retain an in-bred mistrust of public relations material due to early efforts of advertisers and sales people to obtain free product publicity. Ray Josephs explains that even today many multinational managers are unaware of the differences between public relations and publicity. "They think," he says, "that public relations is synonymous with 'publicity'. They fail to perceive that 'publicity' is rapidly being eclipsed as the mainstay of international public relations."[2]

To understand the problems faced by international public relations practitioners in promoting lasting press relations, it is perhaps necessary to understand the foreign press.

Establishing communications between American multinationals and the foreign press is often very difficult for unitiated practitioners. American practitioners are used to a tradition of free press and free speech which is not universally accepted.

In addition, foreign newsmen view themselves and their roles in a different light. Thus they do not approach public relations, the public relations practitioner, or the public relations profession as do their American media counterparts.

In Europe, the press believes itself to really be a Fourth Estate, much more so than in the United States. Burton Yale Pines,

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[1]Ibid.

[2]Ibid., p. 93.

Contributing Editor to Time magazine and expert on international press attitudes and techniques, interprets the reasons for such self-aggrandizement:

> In Europe, the press believes itself a Fourth Estate and has very gallant reasons for doing so. Until rather recent history, nations of Western Europe had no commitment to mass high school education. And the university was reserved primarily for those with appropriate family or clerical backgrounds. The university was present to train leaders. The vast masses of people . . . received a practical vocational training, if any training at all, and this left them unfamiliar with the vocabulary of politics. It left them unacquainted with the complex processes of government, and unprepared to influence the leaders except in very exceptional circumstances.
>
> Now, in this society, the journalist became a sort of perpetual grand jury, constantly sifting acts of governments and officials. Their education and experience allowed them to probe those who ruled them. The journalist became a kind of prism through which the actions of government and the responses of the populace passed. They were a separate estate with enormous responsibilities. They were an elite.[1]

Today, the foreign press, especially in Western Europe, retains this attitude. This is most true in those countries which lack the checks and balances inherent in our system of government. One need only look at the Watergate situation and its ultimate resolution to see what an important part the press plays in our society. In most countries, as in ours, the press has evolved into the nations' chief critic. Mr. Pines adds that mass education is a phenomenon of the past decade and that the university-educated, including the journalist, still comprise a very small group overseas:

> Thus, the West European journalist is much more of

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[1]Burton Yale Pines, "Characteristics and Attitudes of the Overseas Press," tape recorded at New York University seminar, Commodore Hotel, New York, 15 April 1974.

> an elitist than his American counterpart . . . (he) plays a more institutional role in his society though not necessarily a more essential one.[1]

In his explanation of the foreign journalist, Mr. Pines has a number of observations with which the American international public relations practitioner should be familiar:

> ----Foreign newsmen choose journalism as a viable and respectable outlet for their knowledge.
>
> ----The number of foreign journalists with doctorates is considerable.
>
> ----There are a growing number of employee-owned publications in Europe, a concept that is spreading throughout most of Europe.
>
> ----The foreign journalist feels he is part of the educational apparatus of his society.
>
> ----The broadcast journalist usually works for a state-owned station and therefore cannot be as independent, as objective a member of the Fourth Estate as a journalist working for a privately-owned, highly competitive newspaper.

This paper will not attempt to delve in the vagaries and disparities of news media in each foreign country. That should be the subject of a separate study. It should suffice to review a few basic principles of press relations abroad.

Press relations should properly be handled on the local level by local individuals. Ray Josephs explains that "startling differences" with the local media demand on-the-scene direction by experienced professionals.[2] However, no matter how local the press operations remain, consideration must be given to the international network of communications which bridges the world.

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[1] Ibid.

[2] Josephs, "A Global Approach," p. 94.

A decade ago, a press release on a new product or service could be sent out in the United States with no regard for the foreign market. Today, stringers in the United States and correspondents from foreign news media and trade publications will make the story immediately available overseas often with embarrassing results--especially if "overseas customers . . . read about the product before the firm's overseas salesmen even know about it."[1]

Geoffrey Kean advises that it is:

> . . . an illusion for a company to think that it can limit to one country an event or piece of information of interest to a particular business until it is good and ready to release it elsewhere.[2]

The need for proper press relations and coordination is essential in the multinational business world. Mr. Kean concludes that "coordination of all facets of I.P.R. is vital."[3]

Advance information, proper press relations, and timely warnings about impending newsworthy situations can forestall waste and problems and will aid in establishing good relationships with important sectors of social power and the local media.

THE CHANGING SCOPE OF INTERNATIONAL PUBLIC RELATIONS

Like gravity, public relations should be an all-pervading force whose very existence in a corporation influences every action. Through the professionalism of international public rela-

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[1] Kean, "Importance," p. 71

[2] Ibid.

[3] Ibid.

tions practitioners, this future can be realized.

International public relations experts can ensure close cooperation between multinational industries and governments. Arthur Merims sees a time in which the public relations practitioner is "tuned in to the future by his frequent contact"[1] with the many publics industry must deal with--media, financial, industry, governments, consumers and all the rest.

This would necessitate a transition from the more traditional role of the journalistically-trained publicist of the past. Yet, change is in the wind; it is evident even in the past decade of multinational activity.

It was not until the 1950s that public relations came into being as "a major socio-economic force."[2] Public relations man Ray Josephs explains the early scope of international public relations activities:

> At the time, the late '50s, its function was purely responsive--to fend off possible expropriation in the emerging countries of Africa and the Caribbean. To say it was less than successful is the most charitable thing one can say in hindsight.[3]

During this formative era of international public relations, publicity and promotion were the leading means of practice. An IPR Company, Ltd., survey taken in 1973, indicates that this trend has changed in past years. The survey also indicates, however, that the emphasis on publicity and promotion was prior to "the advent of the multinational corporation," and prior to the

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[1] Merims, "Expanding Horizons," p. 32.

[2] Josephs, "Uncomplicating," p. 17.

[3] Ibid.

realization that "before industry can manufacture and promote it must learn how to relate with the host country--its leaders, bankers and workers."[1]

In an article in 1968, the Public Relations Quarterly warned public relations "men" to avoid being "drawn into excessively nationalistic compaigns."[2] Multinational business men have historically shied away from political quarrels. Now international economic bonds make it extremely difficult to isolate the international business community from political, military and emotional pressures which may seriously affect and disrupt their business.

Today, the spokesmen for multinationals find themselves increasingly "in the midst of problems and conflicts that formerly only ambassadors and senior diplomats confronted."[3] Ray Josephs sees multinational organizations becoming more deeply involved with host governments and cultural developments than domestic institutions could ever become. Because of this participation, he says:

> . . . representatives should be in a better position to set up government contracts, help formulate policy on disclosure to financial authorities, and in facilitating corporate financing, and devise good will projects to win the support of local opinion leader groups.[4]

The shift away from product publicity and promotion and the emphasis on culture and government relations should not be

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[1] Ibid., p. 19.

[2] Velmans, "Trends," p. 26.

[3] Josephs, "A Global Approach," p. 97.

[4] Ibid.

construed as a complete reversal of the role of international public relations. To the contrary, international public relations experts agree that flexibility is the key to this particular facet of the profession. The more basic principles of public relations still apply. In such countries as England, some public relations advisers indicate that a "growing sophistication of product publicity" is bringing with it greater emphasis on product public relations.

As product public relations becomes more market-oriented in England, according to Robert S. Leaf of Burston-Marstellar International of London, England,

> . . . public relations programs are becoming intertwined with the total marketing mix. As this happens, brand, product and sales managers are becoming increasingly aware that public relations can effectively sell goods.[1]

In Australia, a different pendulum has swung towards government relations as public relations experts describe with amazement an unforeseen demand for public relations counsel in that area. A shift in government attitudes toward foreign investors has resulted in a "hands-off attitude toward investment generally . . . "[2] The result has been a call to public relations practitioners to "take a much more direct role in government relations."[3]

As discussion of the overall future of the practice of public relations overseas continues, it must be re-emphasized that individual countries exhibit individual problems. What holds true

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[1]Leaf, "England," p. 9.

[2]Peter S. Golding, "Australia," Public Relations Journal, February 1973, p. 45.

[3]Ibid.

For one may have no validity in another. However, while national pressures twist and bend the practice of international public relations, a central current keeps it moving in the same general direction. Thus, the broad trends in international public relations can, and should, be identified.

OVERSEAS PUBLIC RELATIONS TRENDS

International public relations experts everywhere agree that their particular milieu is expected to grow even faster than the entire genre of public relations. As each corporation ponders the possibility of overseas operations, it must concurrently consider the contributions international public relations can make in its foreign operations. No longer do companies consider the advisability of setting up international public relations. Businessmen now recognize the necessity of a viable program for their overseas operations.

One international public relations expert views the overseas public relations office now as a "mixture of foreign office, information service and research organization on new issues and pressures."[1] With this new view comes the growing realization that it is virtually impossible to operate overseas without such an organization.

A Public Relations Quarterly article described the 1964 state of international public relations as exhibiting a great deal of immaturity. Four years later, Opinion Research Corporation surveyed major American industrials. Public Relations Quarterly

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[1]Kean, "Importance," p. 69.

this time reported that "not only are more companies entering the overseas public relations field, they also seem to be more active."[1] The survey found that in most instances international public relations activity had increased an average of 14.8 per cent in four years. This included press releases, product publicity and employee and government relations.[2]

Roy Leffingwell sees a greater need for international public relations professional counsel in the future regardless of the growth of multinational business. He writes that:

> It is likely that public relations consultants working in the international area will be called on more frequently to handle guidance for all people-to-people problems than will local practitioners.[3]

The political relationships between individual countries naturally influence the practice of international public relations. As political climates change, it is public relations' role to maintain and improve corporate managements' understanding of new requirements and trends in international business. Vice President and Corporate Director of Communications for Sperry Rand, Richard Mau, confirms this role by observing that:

> We feel that the whole movement toward more emphasis on social welfare, co-determination, profit-sharing and that type of thing in Europe is something that we have to recognize and more aggressively address in our communications with our own people, and we intend to do that.[4]

Dr. Walter E. Ashley, Manager of International Public Af-

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[1] Hoffman and Worcester, "Current Practices," p. 9.

[2] Ibid.

[3] Leffingwell, "Action," p. 26.

[4] Mau, "Setting Objectives," taped interview, 15 April 1974.

fairs for Mobil Oil Company, notes that multinationals, especially in the oil industry, have moved into an entirely new and different kind of market. He says:

> Overseas we have to be in a position to explain to the consuming countries and the producing countries exactly where it is that we fit in now . . . We have to justify ourselves and explain our roles to governments . . . Mobil is no longer interested in expanding the use of energy . . . We are also interested very much in explaining what it is that we do; why it is that we do need profits . . .[1]

Dr. Ashley also reports a shift in emphasis from basic public relations to cultural and governmental relations:

> One of the things we have to do is to explain to host countries what it is that we as a company are prepared to do for them and get them to understand that this is a role which we are uniquely qualified to play because of our expertise . . . Public relations comes into this considerably because we try to identify our objectives with those of the host country. . . . cultural relations, we find, are very important.[2]

In the final analysis, the major role of corporate-supported public relations today is to overcome widespread ignorance of the role played in individual economies by multinational firms. This is in addition to the more normal functions of publicity, product promotion and press and community relations. It is accomplished not by selling more American-made products, but by proving to host countries that multinational corporations can be both good corporate citizens and good neighbors.

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[1]Dr. Walter E. Ashley, "The Role of Public Relations in the Multinational Organization," tape recorded at New York University seminar, Commodore Hotel, New York, 15 April 1974.

THE "GOOD NEIGHBOR" SITUATION

An article by Charles Cerami in last year's Nation's Business magazine listed the general conclusions of top business leaders in approaching the question of corporate citizenship and community relations. The author noted that "although companies often refer to their community support as public relations, it is chiefly employee relations."[1] Mr. Cerami concluded in his magazine article that community relations do pay off "when they are done wholeheartedly and with an intimate knowledge of the people involved."[2]

With support from host government and local business leaders, a responsible multinational corporation can provide results beneficial to both its best interests and those of the country in which it operates. And this, experts agree, is the basis for "good corporate citizenship" which is defined by Professor Jack Behrman of the University of North Carolina as simply "paying proper regard to the interests of the host country."[3]

Public Relations Quarterly reported in 1968, that "establishing communications between U.S. firms and host countries has both its serious and whimsical aspects."[4] It was characterized then by a lack of adequate reference material from which to draw information, ideas and guidance. Thus, there was "much experimen-

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[1]Charles A. Cerami, "Being a Good Neighbor Pays Off," Nation's Business, September 1973, p. 91.

[2]Ibid., p. 93.

[3]Jack N. Behrman, U.S. International Business and Governments (New York: McGraw-Hill Book Co., 1971), p. 94.

[4]Hoffman and Worcester, "Current Practices," p. 10.

tation, some success and some error, in the attempts of U.S. firms to be good citizens . . . "[1]

Six years later, there had been a plethora of articles, books and other published material on the subject. With the rise of the multinational concept as one of the potent socio-economic forces in the world, had come the needed reference material and analyses of the roles multinationals play overseas. Coupled with this is the addition of six years of heightened public relations awareness.

The president of the non-profit International Management and Development Institute, Gene Bradley, advises that solid working alliances between multinationals and host countries has:

> . . . proved its ability to help build the basic structures of society, create jobs, transfer funds and technology, improve skills, raise living and health standards, end hunger and pay taxes that build the schools and libraries and hospitals.[2]

Mr. Bradley takes the idea of "good corporate citizenship" one step further. He proposes corporate planning on a multinational, multicorporate basis in which multinationals band together to "program a business-social world that is desirable and economically attainable."[3] In this union, control would be by "an intergovernmental mechanism assuring a harmonizing of corporate and national interests on a global basis."[4]

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[1] Ibid.

[2] Gene E. Bradley, "A Survival Strategy for the World Corporation," Nation's Business, April 1973, p. 34.

[3] Ibid., p. 35.

[4] Ibid.

Slowly, but measurably, the evolution of international business is taking place adding stature and credibility to those who practice it. Mr. Bradley notes that:

> Whether the businessman likes it or not, the international balance is shifting from the professional diplomat to himself. He has become a decisiye element in national policy and foreign affairs.[1]

As the multinational concept extends to the far reaches of its economic frontiers, today's spokesmen for the multinationals also find themselves playing a substantial role in international affairs. In its introductory stages, international public relations was, at best, a transplanted copy of domestic public relations. Now it has evolved into a separate entity full of its own growth potential.

The growth of our own field of public relations in expertise, size and importance has brought with it the obligations often associated with maturity and age.

Geoffrey Kean argues that "enlightened self-interest" philosophies such as "corporate citizenship" and "social conscience" naturally exist overseas as well as at home. He says that "if we are good corporate citizens wherever we operate, if we are human and not cold and disinterested in local problems, it helps considerably."[2] An example of this responsibility proves Mr. Kean to be right.

In mid-October, 1972, the Chilean operations of the Dow Chemical Company (Dow Quimica Chilena) were "requisitioned" by

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[1] Ibid.

[2] Kean, "Importance," p. 78.

Salvadore Allende's Marxist government. Labeled a tool of "American Imperialism" Dow directly or indirectly provided more than 5,000 jobs for Chileans. More than $6 million had been invested since 1965 by Dow in a venture to create a plastic industry in partnership with the Christian Democrat government in Chile.

Dow had moved into this area aware of the power of corporate responsibility and good citizenship but unaware of how firmly it would be tested.

Such was the success of their community relations and employee relations programs that the day after the acquisition orders were signed to turn both chemical plants over to the government, engineers and supervisors at both plants incredibly struck to protest their new government's move.

These supporters of the American multinational were unable to find work elsewhere. Impressed by their loyalty, yet hesitant to openly aid the striking men lest it do more harm than good, through the "grapevine" Dow offered them jobs at offices elsewhere in Latin America.

> Eventually more than sixty of them accepted Dow's offer of resettlement abroad, and in many cases Dow reimbursed them for expenses, such as airfare, that they had incurred in leaving their native land. Some were given interest-free loans by the company to help buy houses and cars.[1]

Following the coup d'etat of the Allende regime, the ruling junta began inviting foreign companies back that had been forced out. Dow is returning, but with the acknowledgement that "they are giving greater weight to political factors that bear on

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[1]Herbert E. Meyer, "Dow Picks Up the Pieces in Chile," Fortune, April 1974, p. 148.

investment decisions than was previously the case."[1] In fact, an ad hoc committee of executives has now been formed to "keep management alert to political shifts."[2]

Politics has always influenced business, but in this new ecopolitical arena, business is having a most definite affect on politics. Political events in the past few years have created a public demand for accuracy and have produced "more questioning publics who are willing to listen to each side of vital issues . . . professional communicators should benefit from this trend."[3]

Indeed, all business should benefit from this trend. Public relations experts are excited by this new type of audience; one which ignores the latter-day, swift, simplistic answers and now attempts to understand the complexities of business. Through it all the public relations practitioner, both at home and abroad, must remain sensitive to changing public attitudes and demands.

The Chairman of the Board of Eaton Yale & Towne, Inc., has offered a simple, yet succinctly accurate observation:

> The role of the multinational public relations man in building a world market is important. By using his skills at research and communications, he can find out for himself the role of business in the world and then use that knowledge in bringing understanding to the many and varied publics he reaches daily.[4]

This then, is international public relations. And no one sums up its challenge better than L. L. L. Golden in his book,

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[1] Ibid., p. 152.

[2] Ibid.

[3] Makovsky, "What's In Store In '74?" p. 6.

[4] E. M. de Windt, "The Multinational Executive: Rhetoric or Reality?" Public Relations Quarterly, Winter 1971, p. 12.

Only By Public Consent. Mr. Golden understands that the responsibility of management is greater overseas than it is at home and that the reputation of the United States as well as other multinationals rests on the shoulders of each overseas management team. To Mr. Golden, the change is evident.

> Time was when an American corporation abroad could do its specific job, remain aloof from the host country, make a fair profit and all would be well. It is far different today, for the American corporation overseas is more than a privately-owned company tending to its own knitting. Both the corporation and its personnel must now not only show a concern for the people and institutions of the host country, but must also make a contribution to the country's general welfare. The better managed U.S. corporations know this. They run their enterprises with a constant consideration of local interests. This means more than employing indigenous personnel. It means more than scrupulous obedience to all laws and customs of the host country. The U.S. corporation, besides making a profit, must convince the overseas country that it is interested in the advancement, and attuned to the aspirations, of the local nations.[1]

Mr. Golden's main premise that no business abroad can exist without public consent is as valid now as it was in 1968. And this is the thrust of public relations whether at home or abroad. International public relations was truly once a form of domestic public relations. Yet through its evolution, it has come a full cycle. It has created, within its ranks, a body of knowledge and expertise which is as basic as its beginnings; which starts at home--whether in Idaho or Iwakuni--and uses diplomacy, tact and an understanding of the local environment to tell its story. It is called international public relations.

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[1]Golden, Consent, pp. 225-226.

PART THREE

A SURVEY OF INTERNATIONAL PUBLIC RELATIONS PRACTITIONERS

CHAPTER VIII

A SUMMARY OF SURVEY FINDINGS: THE NEW TRENDS

How does the multinational public relations man communicate with his staff? How effective does he feel his communications are? What are his major problems in the practice of international public relations? While these and other questions were answered in Part Two of this paper, the only practical and substantial way to accurately assess the evolution of international public relations is to ask those who practice it.

Thus, a survey of current international public relations practices was undertaken to substantiate some of the conclusions reached in the earlier chapters.

By polling fifty-two public relations directors of American multinationals--both large and small--a sampling of the changes and direction of public relations overseas during the past five years would hopefully emerge.

The questionnaire was mailed on 2 July 1974. The final survey was returned on 9 August 1974. A total of twenty-seven international public relations practitioners acknowledged receipt of the survey. This was a total of 51.9 percent. However, only thirteen (25 percent) of those polled actually filled out the survey.

The fourteen who did not reply, but responded, listed numerous legitimate excuses for not filling out the questionnaire,

the principal one being time. It is interesting to note, however, that time was taken to draft a reply, have a secretary type out a smooth copy and have it returned for signature. This is approximately the time needed to fill out the questionnaire.

One soft drink company replied that they received "a great many requests to participate in surveys" and had diverted "an uneconomic amount of executive time" to fact-finding and analysis in the past. Thus, their policy was now "diplomatic refusal."

The international public relations director for an automobile manufacturer declined answering such surveys because he found them to "not always convey a definitive answer" which resulted in errors due to the nature of the check-off type of questions. He did offer, however, to set up interviews in New York if this would help in gathering information.

Other excuses included lack of manpower (an airline) and the inability to adapt the international operations of the company into a pattern which could be inserted into the survey (a cigarette manufacturer).

At least three multinationals declined because their overseas public relations activities were handled at a local level overseas and the home offices were not sufficiently informed as to all the specifics of their programs. Such autonomy is further proof of a change in multinational public relations philosophy and certainly bears out what was said earlier...that international public relations must be practiced locally with local controls and expertise.

Two of the multinationals admitted to being neophytes in

the practice of international public relations, but both acknowledged that they were embarked on building programs to establish and expand an international public relations program. One such corporate director explained that "the need for international public relations grows in proportion to the complexity of world business." "What once could be handled on a local basis," he wrote, "now needs corporate direction and support." The move from such ad hoc public relations activities overseas which lack direction and policy guidance to more formalized programs with articulated objectives is certainly a recurrent theme throughout a discussion of international public relations.

One of the most revealing and startling answers was scribbled on the bottom of one of the cover letters enclosed with the survey. A computer multinational with subsidiaries in thirty-five foreign countries, including Mexico, Spain, Italy, Canada, Germany, Panama, Brazil and Australia, noted that it had "no formal international public relations program." While there was no hint as to local activities, it is supposed that this corporation, with assets of $328 million in 1972, must have effective representation on a local level, especially while operating in numerous and volatile Latin American countries.

Many of the questions asked in this survey were identical to those asked in a 1964 mail survey by the National Foreign Trade Council. Their questionnaire was intended to assist members in evaluating their programs at that time and in examining relationships between overseas operations and their parent companies.

Comparisons between this thesis survey and the Trade

Council Survey show the direction public relations has taken in this past decade. These results were also compared to a similar survey taken in 1968 by the Opinion Research Corporation. Both surveys were partially published in the Public Relations Quarterly in Spring, 1968.

The current thesis survey, as it is so termed in this paper, was broken into four parts to facilitate an explanation of the findings.

SECTION I

Questions in Section I were designed to provide basic background information on those people currently engaged in the practice of international public relations.

What is Your Official Title?

This question is interesting in that it re-emphasizes the inability of public relations to pinpoint one single, satisfactory title to describe the public relations practitioner in charge of this part of the corporate function. Only four multinationals out of thirteen had the same title. Two of these four were "Public Relations Officers" while the other two were "Managers, International Communications."

Although the titles differed on the remaining nine, 46 percent called themselves "Directors," 31 percent were described as "Managers," 15 percent were "Officers," and 8 percent were "Consultants."

Please Provide a Brief Biography. How Long Have You Practiced International Public Relations?

This question was asked to ascertain where the majority of the practitioners had received their training. Journalistic backgrounds remain the greatest single source of manpower for public relations with 46 percent coming from that category. Fifteen percent were trained in advertising, and 31 percent came from other fields (including philosophy, history and teaching). Only 8 percent had received formal public relations training at the college level.

Only 8 percent of the international public relations practitioners had been practicing their profession for more than fifteen years. In fact, 54 percent had less than five years experience, 30 percent had five to ten years experience, and another 8 percent had between ten and fifteen years in the profession. Only one director of international public relations was a woman.

It is interesting to note that in researching the names and titles for the thesis survey, more than half of the public relations practitioners had changed jobs within a three year interval. This would seem to indicate a high rate of turnover within the field of multinational public relations and certainly warrants even more study in the future. Included in this constantly shifting field is the change of titles which was briefly explored in the thesis survey. In most instances, not only did the names of the public relations directors change, but their titles as well.

How Long Has Your Company Practiced International Public Relations?

At least 54 percent of the multinationals surveyed had

been engaged in international public relations for more than fifteen years. Only 8 percent had ten to fifteen years experience while 38 percent were fledglings in the field with only one to five years.

This does not mean that there were no programs which might resemble public relations. In fact, most directors indicated that their companies had recognized a need for international public relations in the past, but not to such an extent as was needed at this time. The recognition of the need for formal public relations counsel with planned programs rather than helter skelter responses to spontaneous problems formed the bulwark of the comments on this question.

The public relations directors also provided profiles of their staffs in overseas offices. In almost all cases, the staffs were foreign nationals with an average of three to an office. All were between thirty and forty years of age with a bilingual ability. In at least seven cases, practitioners spoke three to four languages. All had college degrees and between five and ten years experience in public relations or journalism. There was a predominance of males filling the ranks overseas, but at least three multinationals acknowledged that both males and females were employed.

What Book Do You Feel Would Be Most Valuable to the Practice of International Public Relations?

While the practitioners listed impressive educational credentials other than public relations training, none had evidently found any valuable reading sources to aid them in their practice

of international public relations. Only one could name a book he felt would be valuable to the overseas practitioner. This was The Public Relations Handbook by Dartnell which the respondent noted should be used "not as a primer or textbook, but as a reminder/ checklist."

SECTION II

Section II of the survey was designed to uncover some of the basic ideologies which formulated the policies and objectives of the international programs.

What is Your Definition of International Public Relations?

While the definitions differed in their presentation, all contained the basic criteria set out in Part Two of this paper. Some were concerned with presenting their multinationals as "concerned corporate citizens" with respect for "the characteristics of each country" in which they did business. More than half felt that international public relations was "an extension of United States domestic programs" only tailored "specifically to the different countries." All were concerned with communication to host country publics and governments and to domestic publics.

One director said that there was "no such thing" as international public relations per se, unless one applied that name to "coordination, supervision and direction of a number of national public relations operations in a number of countries." This opinion was echoed many times over.

The respondents recognized the advantage and necessity of creating favorable attitudes toward the company and its products

within host countries. In fact, product publicity, so vital a force in international public relations a number of years ago, was mentioned only once and that was in its context as a secondary function of the PR role. Of primary interest to all respondents was their governmental relations function, and the need to explain and interpret host country feelings to home management.

More than 61 percent decided that their definition had not changed in the past five years. Two respondents noted that international public relations had grown up and matured in that time frame, but had not changed in its basic definition.

What Has Been the Major Shift in Emphasis in Your Overseas Public Relations Programs in the Past Five Years?

Only one non-plussed director reported a reduction and waning of interest in overseas public relations programs in his company. He replied, "Unfortunately, the trend appears to be one of de-emphasis instead of either increasing or shifting." In a later question, he noted that in his organization there was a lack of "internal acceptance of the need for international public relations . . . " He said this was his single greatest problem in practicing public relations overseas.

The remaining respondents all noted increased emphasis in their functions especially in the areas of government relations and a greater interest by the media and the world-wide business community in multinational issues. This had resulted, they wrote, in a magnification of their role as communicators to these publics. Most noted increased emphases on cultural, political and social developments in host countries.

One typical respondent reported an awareness by his management of the "need for international public relations support as the competition, problems, and opportunities" increased in overseas markets.

All recognized the need for evolution and change within international public relations to maintain status quo with parallel shifts in the business climate overseas.

Do You Feel International Public Relations Can Be Practiced From the United States?

Seventy percent of the practitioners agreed that there was absolutely no way to practice public relations from the home office.

Of the remainder who disagreed, three allowed that the home office should only have general coordination and supervisory control with local emphasis on actual public relations programs.

One respondent felt that international public relations could be practiced from the United States, but only with constant travel.

Two others felt that policies could be originated in the United States with the international head of public relations in the home country, providing that there were regional managers to carry out the programs.

A Winter 1971 Public Relations Quarterly survey of international public relations conducted by PR Aids, New York, reported that 55 percent of the Public relations experts queried felt that international public relations could not be performed from the United States. It is evident that this concept is growing.

Who Makes Up Your Overseas Public Relations Policy?

Note: Since respondents were asked to indicate as many as applied, the totals do not add up to 100 percent.

U.S. headquarters prescribes policy and programs..... 7%
U.S. headquarters prescribes policy, programs handled locally..85%
Both plans and policy handled locally.....15%

These figures become extremely pertinent when compared to the same question asked of international public relations directors in 1964 by the National Foreign Trade Council. In those responses, nearly a decade ago, more than half (55 percent) acknowledged that the United States headquarters prescribed both plans and policy. Only 3 percent said that they were allowed to handle their programs locally after United States headquarters prescribed policy! This would appear to be an almost astronomical jump and indicate a greater trust on the part of home management in the international public relations directors and their staffs.

In 1968, the Opinion Research Corporation reported that 47 percent of the home offices prescribed policy with programs handled locally. Eighteen percent said that United States headquarters prescribed both policy and programs and 15 percent of the plans and policies were handled locally.

Communications between overseas operations and parent company headquarters was another area explored in the survey. Respondents were given three choices. Again, totals do not add to 100 percent as respondents were asked to answer as many as apply:

Overseas staff submits periodic reports to U.S. headquarters...85%
U.S. headquarters staff visits overseas periodically to evaluate public relations.....77%
Overseas staff visits U.S. headquarters for general meetings...77%
No answer..... 7%

This can be compared to the preceding two surveys:

	Opinion Research (1968)	Trade Council (1964)
Overseas staff submits.....	56%	77%
U.S. headquarters staff visits...	46%	64%
Overseas staff visits.....	45%	53%

Today, submission of reports by overseas staffs is still the more acceptable means of communication although it is evident that frequent contacts, travel, and meetings are constantly being performed to increase cross-fertilization of information to all sectors of the public relations community in each organization.

In a question on the best way to improve this communication, one director advocated swapping personnel between areas for prolonged periods of time--at least two years. At least three respondents felt that better communication was dependent upon greater language skills and more familiarity with host nations both at the local level and at the home office level.

Goodyear's Director of Public Relations, M. F. O'Reilly, feels that his communications are "pretty good." He described their two-way method:

> Monthly reports from the field are compressed into a monthly Compendium which goes back to all PR elements for cross-fertilization. PR elements in Peru, for example, are kept informed of activities, problems, successes, etc., of PR elements in Thailand, U.K., Turkey, etc. We publish case histories of PR achievements for all our PR elements, publish a monthly 'critique of publications', etc.

According to a question on public relations counseling, all but three of the thirteen respondents indicated a preference for outside counsel vice an in-house division. Almost 77 percent are currently using local public relations counsel or American affiliates overseas.

Of these, 50 percent use a local public relations counsel for all of their overseas work. In 1968, the Opinion Research survey found that only 24 percent of the corporations employed local agencies to handle all of their public relations overseas. This jump over a six year period is indicative of the increase in expertise at all levels of international public relations. The dependability of overseas firms has evidently increased over this period as has the realization that only local firms can adequately deal with local problems. Only one firm uses an American public relations firm with overseas affiliates or offices for all of its public relations work.

In 1971, a Public Relations Quarterly survey reported that 63 percent of the practitioners preferred their own staff abroad. This policy has evidently changed and must be attributed to increased levels of expertise overseas.

Twenty percent currently employ a local public relations firm to work with their internal public relations departments on special projects. Another 20 percent use an American firm with offices abroad to aid their in-house public relations departments on special projects.

The reasons for the increased use of overseas counsel, as explained by respondents, were that the local firms had better knowledge of the local conditions, labor climates, press, government; were physically close to the areas of operations; had lower costs; and the capability of providing "on-site counsel."

A director who used in-house public relations indicated he believed his own operations could do a better job, but also ad-

mitted that outside counsel "could help in areas where additional personnel were needed." Another felt he could handle projects "more personally" with his own department.

The final respondent noted that it was simply cheaper to fund his own department but added that he used outside counsel in those few cases where he could not get "inside people of the same caliber as those in outside counseling firms."

Two of those using an in-house staff had converted from outside counsel in the past five years for economy, closer coordination and due to an increase in the size of their multinational operations.

SECTION III

This section dealt with the foreign press, a most difficult area for the international public relations man. Everyone had problems with this section as the conditions of the media varied so greatly from country to country that it was almost impossible to indicate general problems.

What is Your U.S. Headquarters Press Policy?

Note: Totals do not add to 100% since more than one could apply.

	Thesis Survey (1974)	Opinion (1968)	Trade (1964)
Mail releases abroad.....	46%	50%	61%
Maintain press relations with foreign correspondents based in the U.S.....	46%	41%	90%
Send releases to overseas subsidiaries in advance of release date.....	46%	52%	80%
Allow overseas subsidiaries to initiate all foreign press releases.....	62%	Not asked	Not asked

With the emphasis on local staffs and their autonomous operations, this thesis survey provided an additional press question heretofore not asked. The results clearly indicate a growing awareness of control at the local level. The next question substantiates this position but qualifies and identifies where the controls still lie.

What Is Your Local Press Policy?

Note: Totals do not add to 100% since more than one could apply.

	Thesis Survey (1974)	Opinion Research (1968)
All announcements coordinated with U.S. headquarters.....	23%	18%
Only major announcements coordinated with U.S. headquarters...	69%	54%
Local announcements not coordinated with U.S. headquarters...	62%	26%

This comparison clearly indicates that local controls are at last being exercised by multinationals although the control of major announcements remains in the hands of the headquarters staffs. The increase in local announcements not cleared with home offices would substantiate the theory that the responsibility and independence of local public relations managers has grown substantially. Better communications, public relations expertise, and management support would also account for such increases.

With respect to the press itself, a number of questions were asked to ascertain present trends and conditions.

Do You Pay for Publicity?

Yes.....15%
No.....77%
No Answer..... 8%

France and Italy were singled out as the countries where gratis was still acceptable. One respondent noted that the giving of gifts under-the-table and the purchase of advertising space on a quid pro quo basis was still practiced. Most replies were strongly negative. One director noted that his corporation had "cracked down" on this policy years ago "especially in Latin American countries."

What, if any, Significant Changes Have You Noted in the Foreign Press in the Past Five Years?

Only two respondents saw no change in foreign press attitudes during this period. Most reported an increased sophistication regarding international business and greater interest in news about American organizations and multinationals. One director noted an increase in editorial honesty in the press of developing nations.

Another answered that he had seen a gradual change from individual editors to editorial boards. This would substantiate the observations of Time magazine editor Burton Yale Pines who reported that newspapers overseas were moving toward employee-ownership with decentralized controls.

How Do You Rate the Proficiency of the Foreign Press?

Poor.....15%
Fair.....15%
Good.....24%
Excellent.....15%
No answer.....31%.....This group felt the question was too vague and general. Most noted that the press would have to be rated on a country-by-country basis.

Has the Attitude of the Foreign Press Changed in the Past Five Years?

Only two public relations directors felt there was no change. The remainder observed that there was a growing awareness by the foreign press of the role of public relations in business. All noted an improvement in the press-public relations relationship with the former increasingly accepting public relations as a useful ally. According to two respondents, as the suspicions toward public relations subside, the foreign press is becoming more receptive to public relations material.

Another noted that public relations is no longer being associated solely with product promotion or "wining and dining press people."

Fully 75 percent felt that press attitudes toward multinationals were "fair." The remainder called the media "wary" or "anti-American" in its dealings with multinational corporations.

The positive changes in press attitudes, according to a majority of the respondents, were felt mainly in Japan, Germany, and the United Kingdom. Only one mentioned a change of attitudes in Latin American countries.

Germany was listed as one of the easiest of the non-English speaking countries in which to perform international public rela-

tions, followed closely by France, Switzerland, the Scandanavian countries and Holland. Most attributed the ease of practice in these countries to a better understanding of public relations thinking and activities and a closer alignment with multinational objectives. One public relations man noted that press relations were generally "easiest in countries in which the press is free, politically and commercially."

The mention of France as a non-English speaking country in which the practice of public relations was relatively easy comes as a surprise following an historical abhorrence by the French of any non-French organization. The PR Aide survey, cited in the Winter 1971 Public Relations Quarterly, noted that corporate men agreed that "France and the Far East" were the most difficult places in which to practice. The loss of President de Gaulle has evidently softened that country's attitudes toward the role of multinational public relations.

The press release remains the workhorse of the overseas public relations practitioner followed closely by interviews, press conferences, government relations, press tours, exhibits and displays, in that order. Not surprisingly, radio and television news releases were described as difficult to place.

SECTION IV

This final section was meant to provide a view of the primary objectives, problems and current thoughts on international public relations. It is not surprising that respondents reported an increase in all public relations budgets over the past five

years with three indicating that their budgets had doubled.

The objectives of all the programs centered around one central theme: creating and fostering a favorable image for the international corporation so that it could achieve its objectives. All directors were concerned with building a climate of understanding within the host country. One multinational public relations director indicated his role was to serve as a "listening post service for business trends and political developments" indicating that his management put a great deal of credence in his counsel on these important topics.

Only one corporate public relations director acknowledged that his program had no formalized objective. His corporation is new in the international public relations field. He indicated he only provided public relations support to his overseas operations on an "as needed" basis--which he indicated was one of the major problems in the execution of his job. He felt he had only limited effectiveness due to his ad hoc role, lack of manpower, money and time.

What Are Your Five Major Problems in Managing International Public Relations?

It was interesting to note that the answers did not correspond to the hackneyed "money and more clients" type with which public relations men respond all too often. These difficulties were not unduly stressed as might be anticipated. Instead, communications and the development and retention of trained public relations personnel headed the list of problems. This is one of the changes which international public relations must face.

Another problem was in maintaining regular contact between all levels of the organization, including management. Still another communication barrier mentioned was that of getting fast, accurate feedback on incipient problems.

National differences, language and diverse mentalities were also listed as posing the greatest barriers to the practice of international public relations, as might be expected. But, with the advent of local control and use of local employees, these cultural difficulties did not lead the list as they might have some ten years ago.

Other problem areas were:

----Conditioning public relations people to react to developing trends and movements in their countries.
----Developing public affairs people out of public relations people.
----Desire for "our" national way of doing things.
----Keeping roles straight between corporate staffs and area headquarter staffs.
----Difficulties of many subsidiaries to appreciate they are part of a larger organization.

Does Identification with Your Parent Help or Hinder Your International Public Relations Programs?

Sixty percent of the directors felt that the identification with their parent company helped in the operations of their public relations programs. One noted sagely that if the parent's image was good, the identification helped and vice versa.

Those who disagreed and felt a hindrance by the multinational corporate identification noted that the subsidiary must be identified as a national unit. "Each national subsidiary," one manager wrote, "must be as local as possible in character, and its public relations program must follow suit." Another wrote that it

only occasionally hinders his operations and added that this attitude is not changing "and probably never will."

In conclusion, the director of one international public relations staff wrote, "the identification is a fact of life . . . all one can do is steadfastly practice good, professional, straight-forward public relations and lightly stress the advantages to the overseas affiliate with the American 'parent.'"

France led the countries as being the country in which parent identification most hindered the practice of international public relations.

How Do You Measure the Effectiveness of Your International Public Relations Programs?

No formal methods of measurement were acknowledged. The most "scientific" method was through press clippings. Most multinational respondents gauged their success on measurement of the fulfillment of their objectives.

One international public relations man noted that there was "no handy quantitative way" to judge the effectiveness of your program. "Only by extended observation of results, i.e., press postures, attitudes toward the corporation," he wrote, "can you then reach a qualitative judgement."

What Innovations Have You Observed in International Public Relations in the Past Five Years?

Six of the respondents did not answer this question, although it should have elicited some response. The remainder held a number of similar opinions, all of which cited the increase in the importance of public relations overseas.

The growth of professionalism in international public relations coupled with the realization by multinationals that public relations must be practiced on the local level were the major observations.

What Do You Feel is in Store for the Future of Overseas Public Relations?

Unanimously the respondents cited growth as the main theme of the future of international public relations. Most felt substantial growth was a certainty and noted that this would be coupled with even greater involvement in socio-politico-economic developments in host nations. With this involvement will come, one public relations executive noted, "a more world-wide perspective" than the parochial American-based point of view.

How Would You Evaluate Your Own International Public Relations Program?

	Thesis Survey (1974)	Opinion Research (1968)	Trade Council (1964)
Satisfactory.....	61%	33%	35%
Adequate.....	8%	48%	49%
Unsatisfactory.....	23%	13%	26%
	No Answer: 8%	No Answer: 6%	

In all three surveys, the respondents indicated that there was room for improvement. Yet, in 1974, an overwhelming amount felt their programs were fulfilling the requirements and objectives of communicating effectively to all publics. Clearly today there is much more activity in the realm of international public relations and much more satisfaction with the quality of those who practice it.

The larger amount of "unsatisfactory" replies today, as compared to six years ago, might be a reflection of the increasing

international concern on the part of multinationals. The superior jobs being done in many countries by United States multinationals reflect heavily on those who are comparatively lax. This, in turn, should cause a great deal of introspection and a growing awareness of the need for more viable programs.

CHAPTER IX

CONCLUSION

> The crossroads of trade are the meeting place of ideas, the attrition ground of rival customs and beliefs; diversities beget conflicts, comparison, thought; superstitions cancel one another and reason begins.
>
> -----Will Durant

"The world is getting smaller" is a cliche probably first uttered when those incredibly fast clipper ships "rounded the horn" and set sail for far-off ports. Today the international executive breakfasts in London, lunches in Paris, dines in Stockholm and then buys an "Alka Seltzer" in the corner Swedish drugstore. His is the new emerging world in which lightning communications and travel mean that more business can be done in one day than in ten days a decade ago.

As these communications techniques compress the business communities into one global community, the principles of public relations become more necessary.

This paper has provided a brief view of the many philosophies guiding the practice of public relations around the world. It has shown that there is very little difference in the practice of the profession overseas as opposed to domestic public relations other than those differences which distance, language and culture create. It is not only the "how" of public relations which differs overseas, more importantly it is also the "where."

There would seem to be no alternative solution for the multinational corporation today than to turn to international public relations to guide their movements through the cultural sea of change known as the foreign market. It is the only way in which the multinational can create the most favorable currents of existence.

Using a local approach, multinationals can avert mistakes in the host country communities in which they operate; have immediate knowledge of the terrain; maintain close rapport with community, business and government leaders, and provide feedback on incipient small problems before they become substantial ones.

Throughout this paper, a number of conclusions on the evolution of international public relations over the past five years have become clear:

----There is indeed a growing awareness of the need for international public relations on the part of multinationals; the need for local public relations with local controls and coordination and guidance from the home headquarters.

----There is a move away from the large corporate-controlled public relations departments to more autonomous local offices practicing public relations of a local character.

----Corporate headquarters in home countries are becoming centers for coordination, supervision and direction of these numerous national public relations activities.

----Greater emphasis is being placed on international problems with respect to government relations, employee and labor relations and the entire role of the multinational as an emerging factor in world politics.

----There is closer cooperation with host governments and added emphasis on social responsibility overseas.

----As public relations becomes a more acceptable profession overseas, more educated men and women are being drawn into the profession. The resultant boost in expertise has given multinationals a choice between in-house public relations; American public relations/advertising agencies with foreign affiliates; or well-schooled, highly-capable, local public relations counseling firms. The latter seem to be enjoying immense success.

----There are now numerous international organizations setting up professional standards for the practice of public relations overseas.

----Increased awareness by multinational executives of the importance of public opinion has ensured the place of public relations in the planning and decision-making stages of corporate activity.

----International public relations is becoming a less suspect profession in the eyes of many media leaders and more of an acceptable partner in the press-public relations team.

----International public relations is moving from the publicity promotion stage. It is now trying to foster a climate in which the corporation is thought of as a good corporate citizen and acceoted member of the host country socially and economically.

International public relations is an eminently easy means of smoothing the way for a company's operations into a foreign country. It is the logical extension of domestic public relations; yet, it has, like any living organism should, separated from its parent and has begun growing well and healthy on its own.

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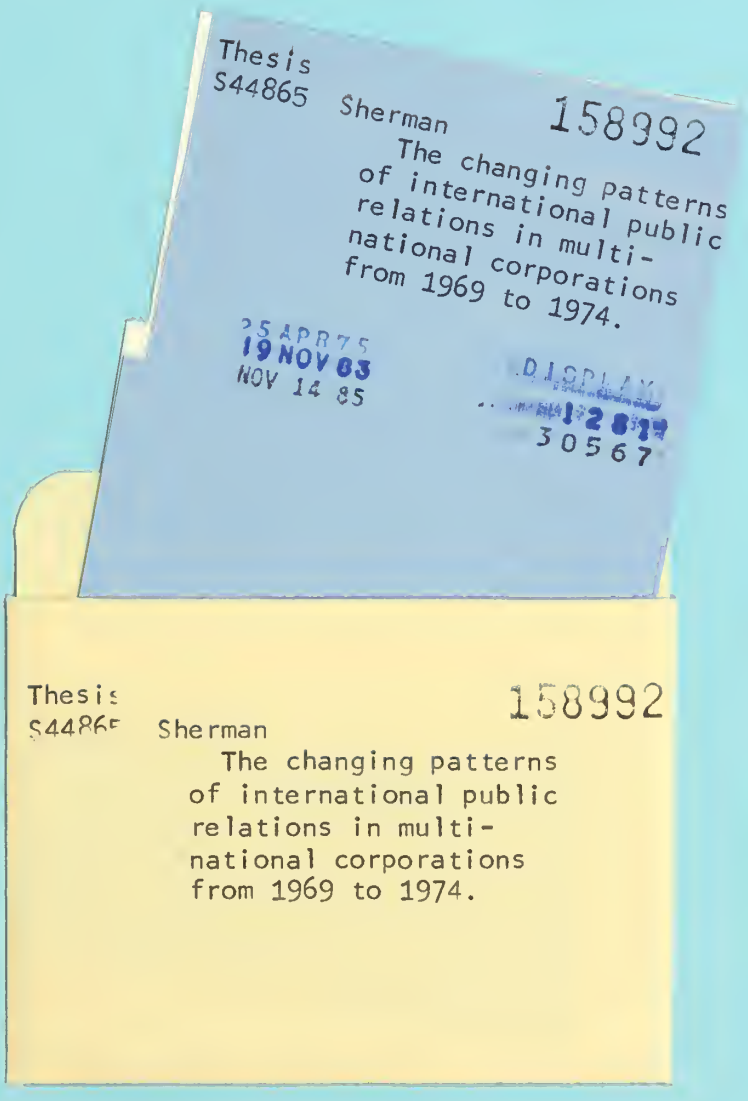
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